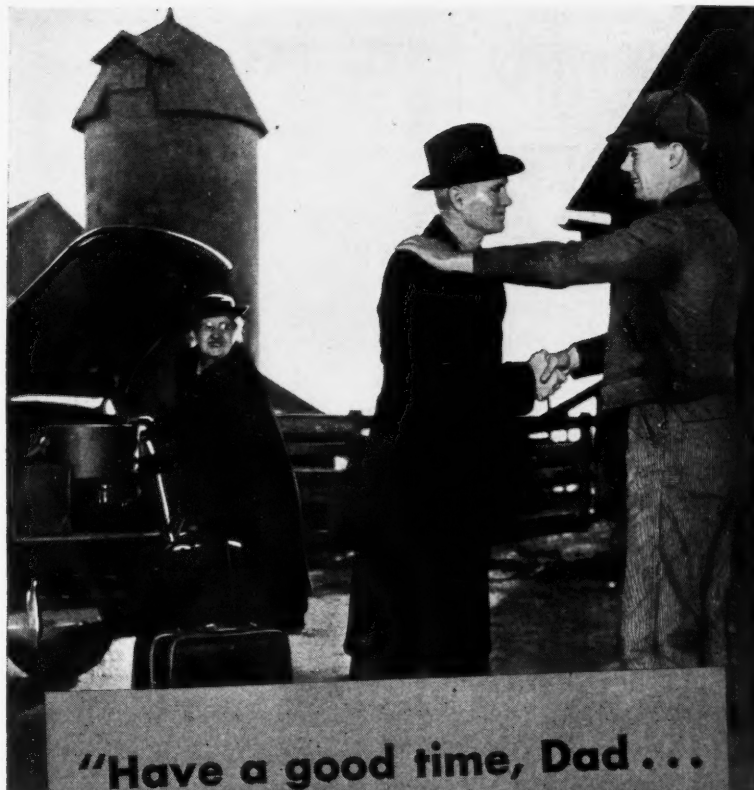


# The NATIONAL UNDERWRITER

## Life Insurance Edition



"Have a good time, Dad . . .  
and don't hurry back"

**M**IGHTY pleasant it will be, when you're 60 or 65, to start taking life easy. Probably you'll want to keep on living on the farm—that's what most farmers prefer. But the big thing is to be able to take pleasant trips if you want to, getting mother away from the kitchen drudgery and giving the boys a chance at farming the place alone for a while.

Now that's exactly what many farmers are doing, including some of your neighbors. They're making sure, right today, of monthly incomes starting when they reach 60 or 65—making sure through Northwestern Mutual Retirement Insurance Plans.

All you do is set aside each year with The Northwestern Mutual, a part of the cash you get from selling steers or hogs, lambs or milk or eggs, or any cash crop.

Here's an actual case that shows how one of these plans works:

In 1920, a farmer (call him Joe Turner) took out a 20-year Endowment

Policy for \$5,000. He was 45 years old. By 1940, when he was 65, here's what he had—

- Cash Fund .....\$5,000.00
- Total Premiums ..... 4,195.50
- Increase ..... 804.50
- Moreover, had he died at any time during those 20 years, his family would have received \$5,000, payable in cash or a monthly income.

These figures cover a completed 20-year period. They are not to be considered as a guarantee, or estimate of future results. They do show why Northwestern Mutual policyholders believe they chose a low-cost company.

It doesn't cost a penny to find out about these plans for a "Take-Life-Easy Fund"—just ask The Northwestern Mutual agent. He will tell you about this safe, strong, mutual legal reserve company with 700,000 members of whom 100,000 are farmers.



**THE NORTHWESTERN MUTUAL LIFE INSURANCE COMPANY, MILWAUKEE, WIS.**

(Among the advertising campaigns being carried on by The Northwestern Mutual in national magazines is a special campaign to farmers, which appears regularly in *Successful Farming* magazine. The advertisement shown above will appear in the April issue.)

FRIDAY, APRIL 12, 1940

# The UNION CENTRAL BULLETIN BOARD

**IF ALL THE MONEY PAID  
TO U.C. POLICYHOLDERS  
AND BENEFICIARIES  
WERE INVESTED AT 3%**



**...IT WOULD PAY EVERY  
FAMILY LIVING IN A CITY  
THE SIZE OF DULUTH,  
MINN., AN INCOME OF \$100  
A MONTH FOREVER!**

*and*  
**OVER \$100,000,000.00  
HAS BEEN PAID  
IN DIVIDENDS TO  
POLICYHOLDERS**

## QUIZ AD No. 6

**QUERY:** What life insurance company has a definite plan for developing district and general agents from the smaller cities and towns?

**COMMENT:** Many men in prominent agencies are proud to admit they were once "country boys." Many future greats in insurance are working today in rural and semi-rural territory.

Continental Assurance has a plan . . . so that experience gained in home communities leads to future opportunities in larger spheres.

*Continental*  
**ASSURANCE COMPANY**

**CHICAGO, ILLINOIS**

*Affiliated with*

**CONTINENTAL CASUALTY COMPANY  
TRANSPORTATION INSURANCE COMPANY**



# The NATIONAL UNDERWRITER

Forty-fourth Year—No. 15

CHICAGO, CINCINNATI, NEW YORK AND SAN FRANCISCO, FRIDAY, APRIL 12, 1940

\$3.00 Year, 15 Cents a Copy

## Agents Weigh in South Day's Topics

### Compensation of Agent Issue Is Pondered in Atlanta

#### M. A. Linton's Report Elicits Valuable Discussion at Mid-Year Gathering

The preliminary report given by M. A. Linton on the work of the joint committee on agent's compensation and the ensuing discussion was one of the high points of the meeting of the national council of the National Association of Life Underwriters in Atlanta. Mr. Linton, who is president of Provident Mutual Life, is chairman of the committee. The preliminary report was drafted following a meeting of the committee in New York March 6. It was given in THE NATIONAL UNDERWRITER last week.

Mr. Linton urged that a discussion be held, as he said the committee is eager to get responsible opinion. Earl Colborn, Connecticut Mutual, Rochester, N. Y., said he believes the committee should not at the outset with finality dismiss the possibility that whatever is recommended may call for a higher aggregate remuneration to agents than is now provided. The first principle that the committee enunciated is that in no event should any solution that may be found involve an increase in the present limits of outlay. That principle, the committee statement explains, makes the problem difficult and complicated.

#### Favors the Objective

Mr. Colborn made clear that he is entirely in sympathy with the objective of the committee to avoid increasing the total outlay and that he believes that every possibility should be exhausted to arrive at a solution within the terms of that principle. But, he advanced the opinion that it is possible that after every phase of the problem is pondered, a solution might be indicated that would call for some increase in cost. Hence he expressed the belief that the question should be left open for the time being, and that the committee principle should not be phrased in such final language.

O. Sam Cummings, Kansas City Life, Dallas, said that during his administration he canvassed opinion on the matter of changing the system of agency remuneration. When the subject was broached to company executives, practically all of them replied that any change in the system would mean an increase in cost. But, Mr. Cummings said he is convinced that the method can be changed without affecting the net, final result.

Mr. Linton, in reply, said it is estimated that the commissions annually received by agents amount to about \$300,-

(CONTINUED ON PAGE 16)

### Harrison President, Aiken Chairman of New York Life

NEW YORK—The New York Life announced following a board meeting Wednesday that on July 1 George L. Harrison, now president of the Federal Reserve Bank of New York, will become "president and chief executive officer." The company further announced that Alfred L. Aiken, now president, will be elected board chairman at the annual meeting May 8, and that Chairman T. A. Buckner will be elected chairman of the finance committee.

Reports that Mr. Harrison would become president have been current for several weeks and were mentioned in THE NATIONAL UNDERWRITER.

#### Twenty-five Years with Federal Reserve

Mr. Harrison has been connected with the Federal Reserve System for more than 25 years, having been appointed assistant general counsel of the Federal Reserve Board in 1914. He was appointed head of the Federal Reserve Bank of New York in 1928, his title being changed from governor to president in 1936.

Taking over the helm of the New York institution as the stock market boom was approaching its crest, Mr. Harrison did everything in his power to hold down the mounting inflation but was hampered by the attitude of a majority of the Federal Reserve Board in Washington which opposed direct action and favored moral suasion. It was not until past the middle of 1929 that the board consented to an increase in the discount rate to 6 percent, but by that time it was too late to put on the brakes, as vast amounts of money had come into the market from sources other than banks.

#### Posted on Foreign Relations

Mr. Harrison has won the highest respect among bankers and economists. Much of his leisure time is spent reading in these fields, as he has had to meet the brainiest economists on their own ground. He has a wide and practical knowledge of foreign relations. He and

#### N. B. Maddox Heads National Nominators

N. Baxter Maddox, Connecticut Mutual general agent in Atlanta, is the chairman of the nominating committee of the National Association of Life Underwriters to bring in a slate at the convention in Philadelphia. He was high man in the balloting for members of the committee at the Atlanta midyear meeting. The other members are: L. Mortimer Buckley, Provident Mutual, Chicago; Ralph Hoyer, John Hancock, Columbus, O.; E. T. Proctor, Northwestern Mutual, Nashville; Hawley Wilson, Massachusetts Mutual, Oklahoma City.

Benjamin Strong, who preceded him as head of the New York bank, were instrumental in bringing European countries back to the gold standard after the war.

Mr. Harrison's appointment as head of the New York bank in 1928 brought wide commendation. In one of his extremely rare statements to the press J. P. Morgan gave a brief but unqualified endorsement, saying that he was happy to see that Mr. Harrison's excellent efforts were being rewarded.

In view of the increasingly strict centralization of control in the Federal Reserve Board at Washington and the consequent subordination of the member banks, financial observers have not been surprised at reports that Mr. Harrison would make a change. Only about 18 months ago Dr. William Randolph Burgess, vice-president of the Federal Reserve Bank of New York, resigned to go into private business. Mr. Harrison received \$50,000 a year as head of the New York bank.

Genial but not unduly expansive, Mr. Harrison is more often smiling than not. He kept his cheerful equanimity even

(CONTINUED ON PAGE 16)

#### Six Cities in Atlanta Meet Submit Bids for '41 Rally

Invitations in behalf of six cities that desire to be hosts to the 1941 convention of the National Association of Life Underwriters were presented at the meeting of the trustees in Atlanta. Those cities are Baltimore, Cincinnati, Detroit, Los Angeles, Minneapolis and Salt Lake City.

Biloxi, Miss., and Davenport, Ia., submitted bids for the 1941 mid-year meeting. Literature about Phoenix, Ariz., was being distributed at the meeting, but an invitation was not officially offered.

The Cincinnatians made the most impressive demonstration. There was a sizable group present from that city and they were supported by other Ohioans. Wherever one looked he saw "Was You Ever in Zinzinnati?" cards with red background. The Cincinnatians say that theirs is really the successor bid of Cleveland which dropped out of the running after unsuccessfully seeking the 1939 and 1940 convention. There is no doubt that Cleveland could have had the 1941 convention if it had desired. A few weeks ago when word got out that Cleveland would not enter a bid, Roger B. Hull, managing director of the national association, went to Cleveland to ascertain whether that position was final. Finding that it was the association wrote to 12 cities, asking whether they desired to enter bids for 1941, with the result that interesting rivalry has been developed.

### Atlanta Mid-Year Rally Miniature Annual Convention

#### Sessions Extended Over Three Days—Many Important Questions Are Treated

The mid-year meeting of the National Association of Life Underwriters which has been assuming increasing proportions in recent years, added still farther to its stature last week in Atlanta until now it is almost a complete miniature counterpart of the annual convention. In former days the meeting consisted merely of a one-day session on a Saturday at which a series of committee reports was given. Then it developed into a two-day event with a sales congress, corresponding to the main convention sessions at the annual meeting. This year it was a three-day affair, with an all-day session for the general agents and managers section and an all-day meeting for state association officers running concurrently. These proved to be exceptionally valuable events.

The enjoyment of the week was heightened by the magnificent dinner given by the Retail Credit Company and the gracious reception given by N. Baxter Maddox, local convention chairman, and his parents, Mr. and Mrs. Robert Maddox.

#### National Council Meeting

The national council meeting was perhaps the most interesting in its history. Three features stood out—the report of M. A. Linton on the work of the joint committee on agents' compensation and the ensuing discussion; the period devoted to consideration of the TNEC investigation and legislative issues and the great address of Holgar Johnson, president of the Institute of Life Insurance, the final feature.

The mid-year meeting is usually the time when National association politics commences to boil, but apparently the scene is to be placid this year. There was some informal talk of "drafting" C. J. Zimmerman for reelection as national president. Assuming, however, that this movement does not materialize, it is taken for granted that Harry T. Wright will be elevated to the presidency and John A. Witherspoon will be elected vice-president. There were no official announcements of candidacies for the board of trustees in Atlanta. Some contests may develop later in that connection.

Baxter Maddox was elected chairman of the nominating committee. His popu-

(CONTINUED ON PAGE 11)

# Managers Section Rally in Atlanta Elicits Pointed Tips on Recruiting

By LEVERING CARTWRIGHT

Spirited, pointed and extremely valuable discussion of agency management questions was developed during the course of the session for the general agents and managers group of the National Association of Life Underwriters at the mid-year meeting in Atlanta. This was the first time that the general agents and managers had been brought together at a mid-year convention. The group was small enough, numbering about 75, to produce an atmosphere for intimate and informal talk. During the course of the morning and afternoon sessions practically every one in the room had been on his feet at least once to contribute to the discussion.

John A. Witherspoon, John Hancock, Nashville, was in general charge, in his capacity of chairman of the general agents and managers committee of the National association. John Marshall Holcombe, Jr., manager of the Sales Research Bureau, performed as interlocutor. He introduced the questions, summarized the discussion as it went along, called upon various individuals to speak. He was in particularly good form and the success of the meeting was largely due to his command. He had at his side L. W. S. Chapman of the bureau staff.

## Vote on Topics of Day

A number of possible questions for discussion had been prepared in advance and the audience voted upon those that they preferred to have treated. Almost unanimously first choice went to the related questions of what points are proving today to be most effective in inducing men to enter the business and what are the principal deterrents to men entering the business.

Mr. Holcombe, in his prefatory remarks, referred to a census bureau study indicating that today there are 22 percent fewer full time agents in the field than there were five years ago and 33 percent fewer part timers. There are not, he said, too many good agents today. The effort has been directed at cutting off the bottom ranks and there is more cutting to do.

Julian Myrick, Mutual Life, New York, inquired whether the reduction in number of agents hasn't been responsible to some degree for the decrease in production. Mr. Holcombe voiced the

belief that that is true and Mr. Myrick then asked whether there has not been a curtailment of service to the public. Mr. Holcombe asserted that those who have been eliminated are the ones who misrepresented life insurance.

"But," Mr. Myrick said, "they got the people insured."

On the question of what constitutes the strongest appeal today to a man to enter life insurance selling, Isadore Samuels, New England Mutual, Denver, expressed the belief that the stability of the business is the greatest attraction.

E. T. Proctor, Northwestern Mutual, Nashville, said he emphasizes to prospective agents that an insurance agent is a professional man who can nevertheless solicit business.

## Eric Johnson's Technique

Eric Johnson, Penn Mutual, Pittsburgh, said he emphasizes the fact that the trend is towards reduction in the number of agents. Frequently, he declared, prospective agents will demur, saying "the land is filled with life insurance men." Mr. Johnson cites the fact that through the cooperation of the Pittsburgh general agents 1,000 agents were eliminated in Allegheny county. Men of higher type are being recruited these days.

J. H. Reese, Penn Mutual, Philadelphia, averred that he stresses the social significance of life insurance; that there is a social complex abroad today and life insurance fits into the pattern of the day.

O. P. Schnabel, Jefferson Standard, San Antonio, said that he points out to the prospective agent that in life insurance a man has an opportunity to grow old gracefully; that a man at 60 is more effective in his work than he was in his earlier life.

In order to get the benefits under the social security act a man must actually retire, a step that many men dislike to take, whereas in life insurance, an agent who has done well may enjoy social security without retiring. That is the theory that is advanced to prospective agents by W. Stanton Hale, Fidelity Mutual, who is president of the Atlanta Association of Life Underwriters.

C. W. Wyatt, John Hancock, Boston, points out that the business is geared to assist the new man as it has never been previously.

G. P. Smith, New York Life, Boston,

said that he conducts a demonstration of the use of the simple programming tools that are available. He brings up the question of social security before the issue is raised by the prospective agent. He states that older men in life insurance have social security because of their agency contracts; that a man is buying social security by going into the business.

J. A. Nixon, Southern Life of Atlanta, said he seeks to find men who are interested in protecting themselves.

The idea that an insurance agent has a permanent residence is brought out by Emory Jenks, Pacific Mutual, Atlanta. He finds this frequently has a strong appeal. A young man may be attached to some girl in the town and would eschew employment that might force him to go elsewhere. An older man is usually interested in retaining his place of residence because of the connections to which he has become accustomed.

## Puts Religion Into Talk

"I put a lot of religion in my talks with prospective agents," Mr. Witherspoon asserted. "I tell the man that no doctor, lawyer or minister is as well thought of in a community as is a worthy life insurance man. I put an evangelistic spirit into it."

Mr. Holcombe said the discussion seemed to bring out the fact that there is something about life insurance that is in tune with the social security idea. He said it is important for the manager to be able to cite the example of agents in his office who have achieved security, to paint a picture with adeptness and thoroughness. Life insurance, he observed, is extremely flexible; it can expand its uses.

L. W. S. Chapman recommended that in recruiting, the manager cite the testimony of President John A. Stevenson of Penn Mutual at the TNEC hearing that showed the potential market for life insurance.

E. W. Baker, district manager for Prudential at Louisville, said he is too often tempted to put a man to work merely because there is a vacancy and the man happens to be available at the time. In recruiting, Mr. Baker cites his own growth of income, in terms of percentages, during his 18 insurance years. He says that when he started he was merely given a rate book and

sent on his way, but that today many advantages in the way of supervision and training are offered the new man. He stresses the assistance that is paid for by the companies.

C. J. Zimmerman, Connecticut Mutual, Chicago, president of the National association, entered the room, and was presented. He said the growth and strength of the managers associations is most encouraging. The section, he said, is the backbone of the National association, since it is the managers that must interpret to the men in their agencies and to the field force generally the sales ideas and broad national policies.

Russell Smith, Jefferson Standard, Houston, mentioned the difficulty the manager faces today in attracting college graduates of the top flight in competition with various industrial concerns. He recited that he had concentrated on five men in the graduating class at one college as desirable for life insurance, but each of them was hired by other business such as Universal Portland Cement, Humble Oil, General Electric. Some of the men were given a starting salary of \$175 and car. These college men said that by accepting these positions they could live comfortably and enjoy the prestige to which they had been accustomed. Mr. Smith said that he had virtually closed with one man and had spent \$25 in having his name changed to one that would be more acceptable when he was hired by Johnson & Johnson at \$175 and car. "Industry," he declared, "is out for men and is paying for them. We have competition for men of the salesman type. There is no unemployment of good men."

## Change in Conditions

Mr. Holcombe commented that insurance is in competition with business that is offering immediate income, that is telling persuasive stories about the training that is available and the future possibilities. "Are we not," he asked, "in this condition because we are seeking a type of boys that we were not seeking 10 years ago?"

Walter Powell, John Hancock, Atlanta, said that he doesn't want new college graduates. "If General Motors and other corporations," he declared, "will work with a college graduate four or five years, then he is ready for life insurance; he is a much better prospect for me. I would tell a boy if he could get \$175 and car to take it quick and I would be telling him the truth."

In talking to boys who have received other offers, Frederick Schnell, Penn Mutual, Peoria, Ill., said he inquires: "How many fellows do you know who took such a job four or five years ago and where are they today?" Some of the leading industries in the past few years, he declared, have taken the best of the college graduates and those graduates are up against severe competition in their work. Many of them reach their ceiling in three or four years.

## Should Reach Freshmen

C. W. Wyatt asserted that the general agent should keep in touch with likely candidates from their freshmen year and not wait until spring of graduation year.

Life insurance is at the tail of the procession in bidding for talent from the colleges, Mr. Holcombe observed. He commended the example of one general agent, who, he said, had been giving a series of lectures at a college from September through March. He has been talking to that group at least once each week for that period.

Mr. Holcombe said insurance is after a higher type of man today and it must expect to meet more severe competition.

(CONTINUED ON PAGE 29)



At Atlanta mid-year meeting of National Association of Life Underwriters—Hazen Exeter, Pacific Mutual, Salt Lake City, points to striking poster supporting bid of his city for 1941 convention; group at Cincinnati for 1941 headquarters; (seated) Ralph Hoyer, John Hancock, Columbus, president Ohio state association; J. H. Brennan, Fidelity Mutual, Chicago; John C. Sebastian, Union Central, president Cincinnati association; (standing) C. Vivian Anderson, Provident Mutual, Cincinnati, and A. E. McKeough, Ohio National, Chicago.



## Centralization of Power Dangerous, Company Chief Says

### Linton Warns Chicago Agents to "Keep Powder Dry", Fight Harmful Trends

When both the political and economic control of this country are centered in any one group, dictatorship inevitably will follow, and with it sharp regulation of life insurance by those in power, and probably absolute control over the actual investment of life insurance funds, M. Albert Linton, president Provident Mutual Life, told the Chicago Association of Life Underwriters at a meeting in that city this week. He spoke on "Capitalism or Dictatorship—Which Road Shall We Take?"

Mr. Linton prefaced his comments on life insurance with a review of the fundamentals underlying the two extremes of the capitalistic democratic system and dictatorship, commenting that no matter how such concentration of power comes about, the chance is practically 100 percent that it will result in destructive dictatorship.

#### Deep Significance to Business

"What, it may be asked, has all this to do with us as life insurance men apart from our general interest as citizens of the United States?" he asked. "Unfortunately, it has more to do with us than perhaps we realize. It is no secret that as a result of the TNEC hearings in Washington there have been rumors that life insurance has reached a point where it should be regulated by the federal government. True, these rumors have been somewhat softened by official statements, but it will nevertheless be worth our while to be vigilant and to keep our powder dry."

"There can be no doubt that the federal regulation of life insurance, whatever form it might assume at the outset would eventually concern itself with the investment of the funds belonging to policyholders. It is not at all improbable that within the next 10 or 20 years, stimulated perhaps by some economic crisis, the government, if given the chance, would obtain control over the actual investment of life insurance funds."

#### Involves Tremendous Power

"Having in mind their magnitude, it is easy to see that the ability to say where they should or should not be invested would place in the hands of the political government tremendous power over large areas of our economic life. To have the power to say that life insurance companies could or could not purchase the securities of this or that public utility, railroad, or industrial company would constitute almost the power of life and death over the borrowing corporation."

"Moreover the control of the investment of life insurance assets would provide an easy source of funds for the use of some future administration in financing its pet social and economic panaceas without apparently unbalancing the budget. There is much evidence that fears in this direction are not groundless."

He quoted Superintendent Pink of New York, Senator Edward R. Burke of Nebraska and J. Reuben Clark, Jr., of Salt Lake City, all of whom are fearful of the present trend in government circles to bring life insurance under centralized national control. Mr. Linton said it is essential that a system of

(CONTINUED ON PAGE 34)

## Statement Likely to Be Filed Soon

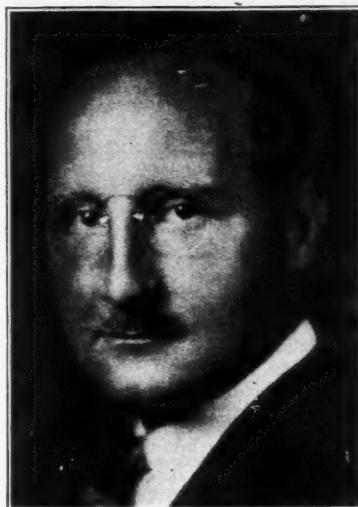
### Life Companies Will in All Probability Send Brief to TNEC

NEW YORK—It seems likely now that life insurance will present its statement to the Temporary National Economic Committee in Washington, many of the officials holding that there should be on file and printed in the records an authoritative presentation of the life insurance situation from a responsible committee. Some have taken the position that well enough should be left alone, because further embarrassment might be caused by any attempt at life insurance to seek a hearing.

A few weeks ago Chairman O'Mahoney of Wyoming stated to the life insurance committee in charge that a statement might be drawn up and then could be discussed with the TNEC, and between the two interests a decision could be reached as to what might be printed in the record. This suggestion was regarded as entirely unsatisfactory, the executives desiring if they made a statement to have one that would not be emasculated or changed in any way. Therefore, many of them declare that some statement should be carefully prepared with the understanding that it will be printed in the record and if the TNEC people desire to comment on it in the record, well and good. At least it will give the life insurance business an opportunity to have in the record itself the story as they see it.

R. C. Wonderlic, agency supervisor Mutual Life of New York in Buffalo, addressed the Buffalo League of Advertising Women on "You, Inc."

## 25-Year Man



D. GORDON HUNTER

Col. D. Gordon Hunter, vice-president and agency manager of Phoenix Mutual Life, recently completed 25 years of service with that company.

He joined Phoenix Mutual as a salesman in Hartford, and later became head of the sales training division, conducting the first training school for life insurance salesmen to be established in this country.

Later, when the home office agency was organized, Col. Hunter was appointed manager. At the end of six years this agency, composed entirely of men with no previous insurance experience, was producing in excess of \$5,000,000 a year and was the company's leading agency.

(CONTINUED ON PAGE 26)

## State Presidents Hold Conference at Atlanta Muster

### Douglas Opens Meeting at Which 28 States Are Represented

When O. D. Douglas, Lincoln National, San Antonio, chairman, opened the meeting of state association presidents at the midyear meeting of the National Association of Life Underwriters in Atlanta, 28 states were represented either by their presidents or their vice-presidents. Leaders regard that as a most remarkable showing, because there are only 39 state associations.

One of the first issues ever to come before this body was crystallized when a motion was made to take steps to give state associations a more definite status as units of the National association. The state associations have gradually assumed more important proportions, and many believe they ultimately should be the units forming the national body, rather than the local associations, now numbering well over 300. The trustees have a committee on local association administration, and Earl Colborn, Rochester, N. Y., chairman of that committee, said it is working on the matter.

#### W. H. Andrews Speaks

W. H. Andrews, Jr., Greensboro, N. C., manager of the home office agency of Jefferson Standard Life, and chairman of the membership committee of the National association, spoke to the state presidents on increasing the membership of local associations. Cooperation of the state associations is essential to the membership work, he declared, and pointed out that in the final analysis the answer to gaining and holding members is leadership. Selection of officers on the strength of their loyalty, ability, and willingness to shoulder responsibility and work is the solution, he holds.

Training conferences for new officers are essential, Mr. Andrews declared, if the greater efficiency and effectiveness in membership work are to be achieved. The selection of the membership chairman and his committeemen he holds to be one of the most important matters confronting the local association and its officers. There should be a state membership chairman also to work with the local association committees, and to keep them keyed to the job, advising on every possible phase of the work.

#### Work Through the Managers

Mr. Andrews said that experience had shown the most effective way to obtain and sustain local association membership is for the membership committee to keep working through the managers and general agents in effort to have each local office in the association 100 percent.

The speaker also was one of those that expressed the belief, however, that the National association's work will center more and more in the state associations, and showed how the state associations can function more quickly and are more widely in certain undertakings, such as perhaps legislative crises.

Good programs, and creative work that make good publicity possible for the association, are the main incentives to joining the organizations, Mr. Andrews said. He thinks the life insurance men nationwide are now association minded, and that the present organizations could readily draw in all life underwriters.

A system of nonresident membership worked out in Connecticut was described

(CONTINUED ON PAGE 34)

## SELLING TO WOMEN

Mrs. Mildred Poindexter Miller, selling very successfully in Kansas City, writes:—"Psychologically, a woman has the age of retirement as the chief fear in her life. It is hard for you men to realize that. You would like to stop at a certain age, but it has not occurred to you that you couldn't support yourself. I would like to be bold enough to say that a woman has more sense than that. She knows that a time is coming when she has to stop, and what she wants is a guaranteed income when that time comes."

"Many of you have seen the picture on my desk. There were two women,—the same ages, they started in the same school system at the same time; they had the same opportunity. One put her money into property, scattered investments, but it was not organized. The other one put her money into a Retirement life insurance policy. One at age 60 was told that she had almost nothing of her life savings, and the other one at 60 knew that she had just 5 more years to teach and then she could do the things she planned to do. One looks haggard. The other one has a smile that the children in her school like. The only difference between those two women is the piece of paper that one is holding in her hand. She knows that she has an income the rest of her life."

+ + +

### THE PENN MUTUAL LIFE INSURANCE CO.

WILLIAM H. KINGSLEY  
Chairman of the Board

JOHN A. STEVENSON  
President

INDEPENDENCE SQUARE, PHILADELPHIA

# Ranking of Life Companies

TOTAL INSURANCE WRITTEN			TOTAL INSURANCE GAINED			ORDINARY INSURANCE IN FORCE			GROUP LIFE INSURANCE IN FORCE		
Rank in 1939 1938 1937			Rank in 1939 1938 1937			Rank in 1939 1938 1937			Rank in 1939 1938 1937		
1	1	1	1	1	1	1	1	1	1	1	1
2	2	2	2	2	2	2	2	2	2	2	2
3	3	3	3	3	3	3	3	3	3	3	3
4	4	4	4	4	4	4	4	4	4	4	4
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## Start Suits in Colo. to Tax Annuity "Premiums"

DENVER—The state will file suit this week against 34 insurance companies in an effort to force payment of the 2 percent premium tax on considerations paid for annuities.

When, last December, Commissioner Kavanaugh decided to take up a case which had been filed in 1937 and then dropped, the plan was to file a test suit involving Connecticut General. However, the commissioner decided first to make a demand for payment on all companies which had not paid the tax and then to file suit against all those which refused to pay.

Five companies have paid up. Quite a number had paid previously. A total of 34 have refused to pay.

The state contends that the premium

law states that a 2 percent tax shall be collected on all premiums and that since the payments on annuities are normally classified as premiums, they are taxable. The present law was passed in 1913. The state is expected to contend that the statute of limitations does not apply to the amounts in dispute and consequently that the taxes are due from time the present law was enacted. If that contention is upheld some \$600,000 in back premium taxes will be collected. The state did not make its first demand for payment of the taxes until 1935, and it is possible the courts will rule the taxes payable only from 1936 on.

W. M. Stufflebee, southern California manager of the Retail Credit Company, addressed the Life Insurance Managers Association of Los Angeles on "The Inspection Idea."

## Penn Mutual Makes Gala Event of Tedious Job

When the Penn Mutual Life faced the task of mailing out some 400,000 annual statements to the policyholders, the service department hit upon a novel way of getting the job done in a jiffy.

They asked 204 of the clerks to report on a Saturday morning, each to stuff about 2,000 envelopes. As each arrived, he was handed a sheet of instructions and assigned a working space. Sixteen leaders first demonstrated the correct technique for enclosing. Each person was told that as soon as the 2,000 quota was completed he could leave for the day. The clerks having come from departments all over the home office, a competitive spirit entered, especially to record who finished first.

A phonograph was provided to play

## Washington Commissioner Candidates Appearing

SEATTLE—George Stokes, well known Seattle life insurance man, has announced his candidacy for insurance commissioner in the September primary. He will oppose Commissioner Sullivan on the Democratic ticket. He ran second to Mr. Sullivan in the 1936 primary.

It is expected that Col. G. B. Lamping and C. B. White, Seattle local agents, both in the 1936 primaries, will again file on the Republican side. Next year the position will pay \$6,500 instead of \$5,000 as at present. The increase was voted in the form of an amendment to the insurance code in the 1938 legislature.

Fort Wayne, Ind.—C. J. Zimmerman, Chicago, president National association, will speak April 17.

music and a loudspeaker for the head supervisor—also chewing gum. What might have been a tedious job was done merrily, quickly, and accurately. The fastest worker completed her quota in one hour and 39 minutes. Five girls and one man each averaged well under two hours.



## Southern Ad Men in Session This Week at New Orleans

### President Briggs of Institute of Home Office Underwriters Speaks

NEW ORLEANS — John L. Briggs of the Southland Life, president Institute of Home Office Underwriters, spoke before the Southern Round Table of the Life Advertisers Association here on "The life company advertising manager travels in strange lands." His organization has now 79 companies. He said that the life insurance advertising department affects every phase of a company's business and no less the underwriting department. The home office underwriter, he said, must consider not only the savings in mortality than can be made through strict underwriting but he must also consider and continuously bear in mind the fact that the field organization depends on its commissions from issued policies. The problem is definitely twofold and neither of the opposite angles can be disregarded or over balanced.

#### Individual Underwriting Problems

Mr. Briggs said that the individual underwriting problems boil down to their simplest forms involving those of insurability from a health, financial and moral viewpoint. In each of these the advertising man can be of great value to the home office underwriter, he added. For instance, the advertising man can present the remedy for ill health and the prevention of disease. The moral and financial side of the picture can similarly be controlled through intelligent advertising. He said that a life company necessarily is highly departmentalized and there may be danger that some department heads and those under them may become so directly concerned in the problems of that one division that other departments and what they are doing are lost sight of.

#### Building Up Underwriting Department

He referred to the necessary build up of the underwriting department as a unit, that of the medical director, the lay underwriter and the medical examiners in the field. The underwriting department, he said, is in effect a credit department. All companies are dependent more or less nowadays on mortality. He asked whether it is not up to the advertising man to present the department and the individuals to the agent as normal human beings trying to do an important and a good job. What the agency force thinks of any particular group at the head office depends very much on the advertising department, he believes.

Mr. Briggs made the suggestion that the advertising man take the first opportunity to spend some time with the individuals responsible for the underwriting in the company. They should be asked questions. The advertising man can learn very much from his contact with these people. Underwriting of life insurance, Mr. Briggs declared, must be handled as a class proposition rather than on an individual risk basis. Underwriting, he said, as a whole is very uniform, notwithstanding that there are certain factors considered more leniently or severely by different companies.

After the advertising man has spent considerable time with the underwriting department people and learned much about them, then, he asked, why not make them a part of the advertising program to present the picture where the

picture of a company is given? He referred to the good work that Lorry Jacobs, advertising head of the Southland Life, has done in presenting the underwriting department in a favorable way to the field organization.

Mr. Briggs said there are three requisites for success in life and business. They are courage, initiative and effective action, all of which, he said, must be based on knowledge which is secured through constant study.

#### Bart Leiper's Skit

One of the interesting features at the meeting was a skit that was prepared by Bart Leiper, advertising manager of the Provident Life & Accident, who is secretary of the Life Advertisers Association. This skit is entitled, "Ambitious Life in planning clinic discovers human relations as key to creation of field confidence." As a subhead it was asserted that this is a "One act dramatization of wheels going around at the home office of the Ambitious Life." Bart Leiper took the character of the president and Mrs. Marjorie Ljung, wife of Karl Ljung, Jefferson Standard Life, his secretary. Emmett Russell, Life & Casualty, was the medical director. L. B. Hendershot, Berkshire Life, was agency manager; A. S. Anderson, Equitable Life of Iowa, actuary; M. F. Browne,

ad manager; C. C. Fleming, Life of Virginia, editor of publications; W. E. Jones, associate editor "Life Association News," represented the insurance trade press.

#### Major Crown to Give Talk

Since a large number of Life Advertisers Association members are ex-fourth estaters, one of the treats of the program is to be the appearance at the Friday luncheon of one of America's fast-disappearing old-time newspaper men who will give his views on life insurance public relations. John Ehle, Imperial Life, Asheville, is chairman of the meeting.

Maj. James Crown, managing editor and editor of the New Orleans "States," has been known to the newspaper world from coast to coast for many years. But his fame for hard-hitting fearless journalism at its best reached a pinnacle recently when he led newspapers of the Crescent City and Louisiana in a virile cleanup campaign that did much to turn the long-swollen tide against corrupt political satellites and their henchmen.

#### Holcombe at Detroit

Manager J. M. Holcombe, Life Insurance Sales Research Bureau, spoke before the Associated General Agents & Managers of Detroit, Thursday.

## Committee Studies Non-Forfeiture Plan

The committee of the National Association of Insurance Commissioners that made an exhaustive study of the mortality table subject, which was approved by the organization after its final report is now engaged in delving into the subject of non-forfeiture values. So far as non-forfeiture values are concerned, no action has been taken for over a half a century. It seemed desirable to many of the commissioners that this subject should be taken up and recommendations made to the association. The members of the committee had a meeting in New York and each one is taking up a separate feature. It may be impossible to make a final report in Hartford.

#### Mutual Trust Gains in March

Mutual Trust Life made substantial new business production gains in March—"president's month." Both submitted and paid-for business were well ahead. The month was dedicated to President E. A. Olson. Gain was 14 percent over March, 1939. Awards to leading producers in the campaign are being made on the basis of business paid for by April 20.

## MEASURING ROD

Size and age are not necessarily a final criteria by which a company should be judged. An organization may have lost the common touch without being large. And it may have gained little from passing years without being young.

But the company which has a reputation for friendliness alike to policyholders and agents and which throughout its operations evidences seasoned judgment in all its relations is a company to which men can tie with confidence regardless of its size and of its age. Fidelity is such a company.

It takes pride in being known as a friendly company—a reputation it has built for sixty-one years and in thirty-seven states. It is therefore not a young company. With over 365 millions of insurance in force and assets of more than 129 million, it ranks high in the list of American companies. It is, therefore, not a small company. Its purpose to remain a friendly company has been steadfastly upheld as it has added the years and grown in size. It is one fundamental of its operation that goes on unchanged.

Fidelity originated the "Income for Life" plan and for twenty-three years has operated a singularly successful lead service based on its unusual appeal.



One of a series — Giving facts about the Fidelity.

The FIDELITY MUTUAL LIFE  
INSURANCE COMPANY  
PHILADELPHIA  
WALTER LEMAR TALBOT, President

## Johnson Urges Importance of Building Own Security

ATLANTA—One of the most important questions for the American people to decide in the coming decade is whether they shall provide security for themselves through continued individual thrift and initiative or whether they shall look more and more to government for support, Holgar J. Johnson, president Institute of Life Insurance, said in a speech at the mid-year meeting of the National Association of Life Underwriters.

While it is right and just that government should provide through social security a living minimum for those who cannot support themselves in their old age, it must be remembered that in a democracy the people support the government through taxation. Government cannot support all the people because it does not create wealth but consumes the wealth which the people produce, therefore the economic floor provided by government subsidy should not be built too high above the subsistence level, Mr. Johnson said, adding that the price of government subsidy is eventual sacrifice of personal liberty.

He quoted estimates that the 8,500,000 persons 65 years old and above in the nation today will have by 1980 increased to 23,000,000, although the total population is expected to increase by only 20,000,000. Discussion of the problem of providing security for them is going to bring forth "a lot of fairy tales about what government can provide," said Mr. Johnson.

### Building Private Security

Millions of Americans are building a system of private social security through life insurance, said Mr. Johnson, and already have in force annuities that are paying or will pay annual income of half a billion annually and if the present rate continues for the next 40 years, the people will save many more billions to provide their own old age security by this method. In the past 50 years, he said, life insurance has paid out 45 billion crisis dollars to help make Americans secure. In the years 1933-38 alone, he said, life insurance paid policyowners and beneficiaries nearly three billion dollars more than was spent on government relief.

The public doesn't realize the extent of the security it has built through life insurance and it is important that they know the facts about life insurance as they relate to this social and economic problem, said Mr. Johnson. He announced that within two weeks the Institute of Life Insurance, composed of 93 leading companies, is starting an educational advertising campaign, to appear once a week in newspapers throughout the nation for the remainder of 1940.

The advertising will deal with current questions concerning life insurance as well as show how it operates and that the public owns a major stake in it. Said Mr. Johnson, "We are using newspapers because we believe they provide an effective medium for reaching a large number of people. Life insurance with its policyowners and beneficiaries directly affects about 100,000,000 persons in this country. The great American jury gets the bulk of its ideas from the press of the nation and therefore that is one place where we must tell our story."

### Preserving Spirit of Thrift

The nation's 165,000 life underwriters, who make an estimated 200,000,000 calls a year are the greatest force in the nation for preserving the spirit of thrift and it is their responsibility to "give new emphasis to the American concept of individual responsibility in providing security for oneself and dependents; help to inculcate the philosophy of hope for the future and to combat the philosophy of resignation and futility," Mr. Johnson declared.

We are not a poverty stricken nation, he added, pointing out that more than 40 millions are now employed and that the great majority of employables had been at work throughout the depression. He cited stream-lined trains, the introduction of plastics, trans-oceanic airplane service and many other job-making activities now commonplace that few persons were even thinking about 10 years ago.

"We have heard too many times," he continued, "that a sizable portion of our population will never find work again; too many demagogues have made political capital of the economic misfortune of a few. The propounding of such a philosophy of hopelessness has a fatal lure, it is easy to believe. But let us not forget that this is still the nation of greatest opportunity and that we must provide all the security for ourselves that we can if we are to retain our individual freedom and democracy. Complete security when provided by government subsidy is by no means free; it has a price—which, eventually calls for the sacrifice of personal liberty."

### How High the Economic Floor?

"As we, the people of America, decide the issue of how high the economic floor is to be built the nation will be confronted by the wildest political panaceas and crackpot doctrines, directed at the constantly increasing number of old folks who will listen to these dirges of despair."

"Will we succumb to the luring promises of security? There is danger that

## Well-Known Actuary Has Serious Nervous Breakdown

Lloyd Thomson of Indianapolis, for six years serving as actuary of the Indiana insurance department, who resigned the first of the year to go with the State Life of Indianapolis as associate actuary, has found it necessary to take a long rest and hence has dissociated himself from the State Life.



Lloyd Thomson

Mr. Thomson has had a serious nervous breakdown. It is stated that the death of former Commissioner Newbauer had a great effect on him. Mr. Thomson is a University of Michigan man. He had considerable home office actuarial experience before becoming associated with the Indiana department. He was regarded as one of the strong factors in the Indiana department, attended various insurance meetings and is a member of the mortality committee of the National Association of Insurance Commissioners.

we may, but also a strong basis for hope that we will not. We must not forget for one minute, however, that many people will be told a lot of fairy tales about what government can do. The facts about what government can do are simple and easy to understand. In a democracy the people create and support the government. Government cannot support the people because it is a consumer, not a producer, of wealth. The people produce the wealth and allot to government a certain portion of it to do the things necessary for the public welfare. Accordingly, while it is right and just to provide a living minimum for the unfortunate, we must realize that we cannot look to government to give us everything or else it will consume more and more of the wealth we produce until there is nothing left. In an election year I deem it important to consider this simple rule of economics.

"This is therefore your job and your responsibility: To keep alive the spirit of self-reliance, to impress on Americans their personal responsibility in continuing to provide for themselves as much as possible and resist the temptation of government subsidy. The private social security system that you have helped to build in this country through life insurance must be maintained and expanded."

## Divergence Seen in Company Practice After New Measure

### New York Requirement Brings to Light Differences in Procedure

NEW YORK — The new New York requirement that new life agents must pass a written examination before selling has resulted in the widest possible divergence in company practice on payment of the \$5 examination fee. Some companies stand the entire expense of the fee while others expect the agent to meet the expense himself.

There are a number of variants between these two extremes, principally some sort of arrangement under which the agent pays the fee but is reimbursed if he passes the examination and writes a certain amount of business within a certain number of months. There is no uniformity even among agencies of the same company. One agency of a leading company pays the examination for all its new agents. Another office of the same company, only a few blocks away expects the agent to meet this expense himself. In some cases the general agent stands the expense, even though the home office does not. Some companies share the expense with the agent or general agent.

### Practices Are Listed

A check of some of the leading companies and agencies in New York City revealed the following:

New York Life pays half the fee, the agent paying the other half. The Mutual Life of New York does the same. The Metropolitan Life does not pay the fee but the Prudential does. Equitable Society refunds the fee to the agent if he passes the examination.

Guardian Life of New York expects the new agent to pay the fee but with the proviso that if he passes the examination and pays for at least \$25,000 on at least four lives during his first year the company will reimburse him in full. The Home Life of New York's new agents pay the fee themselves.

Mutual Benefit Life's general agencies in New York City vary in their practice. One agency reimburses the agent if he sells \$10,000 in his first three months in

(CONTINUED ON LAST PAGE)



Glimpses at mid-year meeting of National Association of Life Underwriters. In foreground behind Alabama banner is H. J. Baum, Protective Life, Birmingham; group in center includes A. L. Johnson, Sun Life, Jacksonville, Fla.; M. A. Linton,

president Provident Mutual, and L. M. Buckley, Provident Mutual, Chicago; group of representatives of Shenandoah Life from Knoxville, Tenn., at the registration desk in Atlanta Biltmore hotel.



## Hospitalization Is Being Demanded

**Combination of Causes Brings About an Increasing Desire for Protection**

NEW YORK—Since the removal on Jan. 1 of the ban on dependents' benefits in group hospitalization plans underwritten by life and casualty companies, this coverage has met with tremendous popularity in this state and has sold particularly well among large employers in the New York metropolitan area. In some cases the companies have succeeded in taking business previously written in non-profit hospital association plans. One agency, for example, has written more than \$150,000 in annual premiums so far this year.

A combination of causes is responsible. Public interest in hospital care insurance has been whipped up not only by the purveyors of the coverage but by social insurance proposals. Then, as non-profit plans have been forced to curtail their benefits in line with their experience, the company plans show up correspondingly better. The companies' advantages include coverage for surgical benefits, an absolute guarantee that the benefits will be given as promised, and no limit on the total number of days of hospitalization during the contract year.

A third cause is the relatively better state of general business activity that has prevailed since the first of the year. While business indices have declined somewhat since Jan. 1, they are still better than this time last year. Financial reports of most corporations showed a considerable improvement over the previous year-end.

The superior competitive position of the life and casualty companies in writ-

ing group hospitalization insurance may seem surprising in view of the stress laid by the hospital associations on the "non-profit" angle and the fact that the hospitals pay out their indemnities in kind rather than in cash. The companies, however, have the advantage of a distribution organization already set up, to which hospitalization can be added with little extra trouble or expense.

### Advantage of Experience

On the underwriting side the companies have the advantage of experience in the group field. They insist on a fairly high percentage of participation to avoid anti-selection. Group life companies insist on 75 percent participation, the same as for group life. Hospital associations, on the other hand, will underwrite even a small group and for a time so far defied the true basis of group insurance as to take scattered individuals and form them into groups, thinking thereby to obtain the safety of the group principle.

Premium rates on company-underwritten plans range from about 75 cents a month per person without dependents to about \$2 a month where there are dependents. An unusually high percentage of female risks boosts the rate. Each plan is usually tailor-made for the group, with considerable variance in items like employer contribution, limits on dependent benefits, and the like.

### Juggling with Mortgages

In addition to the charge that certain life companies are attempting to take desirable mortgages away from others by offering a lower interest rate, another practice is reported. It seems that now and then a company may desire to get rid of a farm or other real estate. Therefore, a "sale" will be arranged whereby the property is disposed of at a figure much higher than its intrinsic worth. In a short time another mortgage is made on this property, even larger than the one before it.

## ALC Leaders Meet on TNEC Brochure

**Plan Presentation of Benefits of State Supervision of Insurance**

Some sort of presentation to Temporary National Economic Committee of the fine record of life insurance under state supervision probably will be made, it was the consensus at a meeting of the American Life Convention executive committee and a number of its past presidents held in Chicago this week, but this probably will not be made directly under ALC auspices. The brochure which is being prepared by a committee of the ALC may be filed by the National Association of Insurance Commissioners, although that, too, as yet is undecided by either the ALC group or the commissioners. The project was left in the hands of the special committee.

### Palmer Commissioners' Chairman

It is understood that the commissioners would like to present the life companies' recommendation of state supervision, but the invitation from the TNEC to the commissioners to present their case did not extend to the life companies. Thus the latter may have to file their brochure separately. The commissioners are preparing a brochure through a special committee, of which Insurance Director Palmer of Illinois is chairman.

The ALC gathering in Chicago considered the threat of the Jones-Wheeler bill in Congress, which would make available to farmers 3 percent farm mortgage money. Col. C. B. Robbins, ALC manager and general counsel, reported the tide of sentiment is running strongly against the bill, with farmers' organizations aroused, and its passage

now is problematical where only a few days ago it was a real threat.

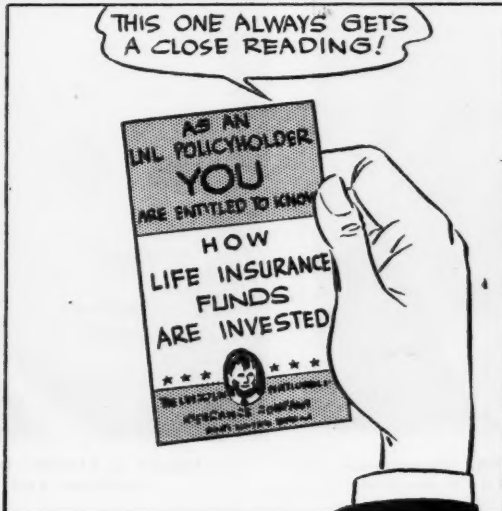
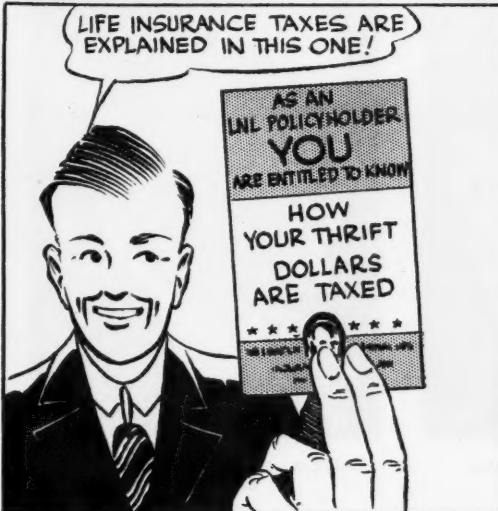
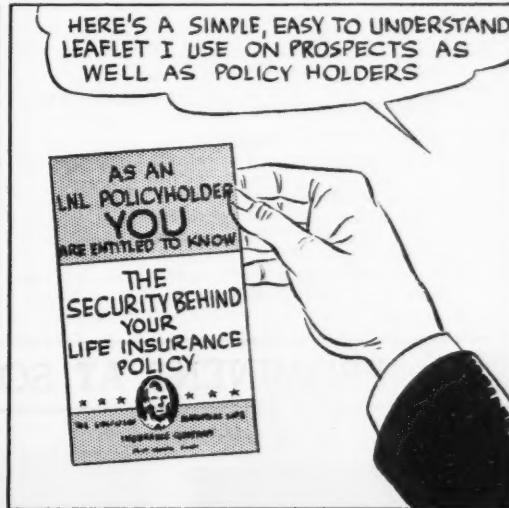
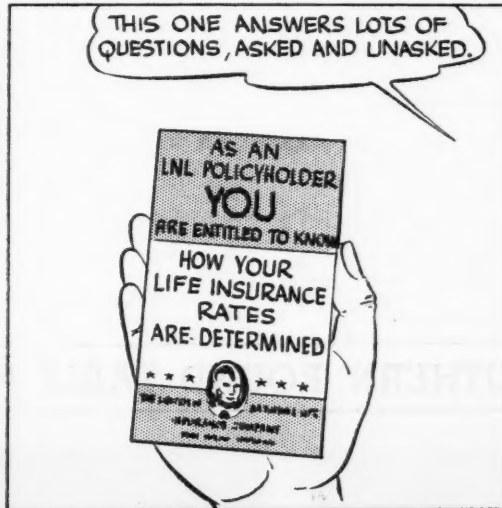
The entire executive committee attended, including: C. A. Craig, chairman National Life & Accident, ALC president; Harry R. Wilson, vice-president American United Life; W. T. Grant, president Business Men's Assurance; T. A. Phillips, president Minnesota Mutual Life; Gerard S. Nollen, president Bankers Life, Iowa; Julian Price, president Jefferson Standard Life, and C. F. O'Donnell, president Southwestern Life.

Others present were Claris Adams, president Ohio State Life; Dr. E. G. Simmons, executive vice-president Pan-American Life; L. J. Dougherty, vice-president Occidental Life, California; H. K. Lindsley, president Farmers & Bankers Life; Laurence F. Lee, president Occidental Life, Raleigh, N. C.; J. M. Laird, vice-president Connecticut General, and Henry Abels, vice-president Franklin Life.

### Stage Occupational Contest

LINCOLN, NEB.—The Bankers Life of Nebraska is staging a contest along new lines. C. H. Heyl, agency director, says that he has found that people in occupational groups buy life insurance according to their occupational classifications. Accordingly, every contestant must submit the names, addresses and occupational classifications of 25 prospects falling within a list of 32 occupations submitted. In the next 30 days the agent must submit the result of his prospecting, in the form of evidence of insurability if not written, and cash awards will be based upon the percentage the amount of insurance sold to each bears to the amount he should have bought according to the survey. Cash prizes will be awarded to the highest point scorer. Five hundred points are credited for filing a list of prospects with the home office; 1,500 points for the greatest number of sales made to individuals on the prospect list, and 2,000 points for greatest percentage of volume sold per classification.

## HOW JOHN LINCOLN'S POLICY-HOLDERS RECEIVE IMPORTANT FACTS ABOUT THEIR LIFE INSURANCE!



## Jones-Wheeler Bill Draws Farmers' Ire

### U. S. 3% Mortgage Money Measure Meets Un- expected Opposition

Opposition to the Jones-Wheeler bill in Congress, which provides for making available to farmers 3 percent farm mortgage money, developed at a hearing in Washington last week from farmers organizations—an unexpected blow to those behind the bill.

Representatives from the Farm Bureau, Grange, American Bankers Association, many farmers' cooperatives and the Federal Land Banks opposed the bill so vigorously in the hearing conducted by the house committee on agriculture that now it seems the proposal may be defeated.

#### Cause of Farmers' Anger

The farmers are stirred up over the transfer recently of the Federal Land Banks to the direction of the department of agriculture. There have been many resignations of officials of the banks.

The farmers who borrow through these banks must take some stock in them to secure the loan. It is said the federal stock has been entirely retired and the banks' stock is now owned entirely by farmers.

However, under the transfer arrangement, the department of agriculture dictates not only the Federal Land Banks' policies, but also, under changed policies of the banks, how the borrowing farmers shall operate their farms. Thus the farmers who borrow through this medium no longer are independent, observers say. The provisions of the Jones-Wheeler bill, they feel, would place them even further under subjection by the federal government, and probably would eliminate the Federal Land Banks, along with other institutional lenders, from the farm mortgage field.

#### Sounded Good to Politicians

It appeared to be full of political possibilities in the coming general election, since on the face of it, farmers would have profited from the low interest rate. For that reason the way seemed to be greased for its passage in both houses and quick signature by the President. Instead of that, now it languishes in the house committee on agriculture and the senate banks and banking committee. It

was not passed by the senate as was reported last week. The last advice was that it had not been reported out of either committee, and that there was a margin of only one vote in the house committee in favor of reporting out the bill.

The bill was introduced without fanfare of trumpets and was in a fair way to become a law due to the fact that its radical provisions for a time were not discovered by the groups that would be affected. It was so phrased that these features were not obvious.

According to advices, it was drawn by a young attorney, a recent college graduate, in the department of agriculture. Its constitutionality, it is reported, was given the approval of an official of the department of agriculture. There is some question whether Secretary Henry Wallace of the department of agriculture had seen the bill before it was introduced in the senate.

#### Life Insurance in Background

Just who outside Washington finally got wind of the evil that would occur if the bill would pass, has not been determined. Life insurance organizations took no active part in the hearings on the bill, although they have observers on the scene and are watching it very closely because if adopted it would practically eliminate the life companies, as well as other private institutional lenders, from the field of making farm mortgages.

It is felt that congressmen who might have voted for the bill on a trade or for other political reasons, in view of the row that was raised by the farm interests, probably will think twice. Since the bill was touted in political circles as another fine measure to help the farmer, and the farmers appear to be rising in a body against it, this leaves the congressmen a good alibi for voting "no" or failing to vote at all.

#### Hemphill Speaks in Kansas City

KANSAS CITY—Arthur Hemphill, district manager Equitable Society, St. Joseph, Mo., spoke to the Kansas City C. L. U. chapter on "Human Values."

#### Raise Funds for Memorial

NEWARK—The performance given by the Pelican Club, composed of home office employees of Mutual Benefit Life, proceeds to be devoted to the "Drabble Fund" for maintenance of a bed in a semi-private room in the Hospital & Home for Crippled Children, resulted in a large contribution to the fund. This bed has been maintained since 1928 as a memorial to W. A. Drabble, late comptroller of the company.

## N. Y. Act Specific on War Exclusions

### Assured of Governor's Approval: Will Permit Some Clauses Now Barred

NEW YORK—The extent to which companies may go in limiting coverage by war clauses, either for life insurance or disability, is set forth in considerable detail in the bill passed by the New York legislature in its closing days. Being a department measure, the bill is virtually assured of favorable action by the governor.

The section of insurance law which formerly stated that "no policy of life insurance issued or delivered in this state shall contain any provision which excludes liability for death caused in a certain specified manner except as follows: is amended to read that "no policy of life insurance issued or delivered in this state shall contain any provisions which exclude or restrict coverage in the event of death after two years from the date of issue except the following provisions or provisions which in the opinion of the superintendent are more favorable to policyholders."

The clause which previously followed excluding death resulting from military or naval service is amplified to read "A provision excluding from coverage (1) death occurring while in, or (2) death resulting, within six months after termination, from service in the military, naval, or air forces of any country at war, declared or undeclared, or a provision excluding from coverage (1) death occurring while in, or (2) death resulting, within six months after termination, from service in any ambulance, medical, hospital, or other auxiliary or civilian non-combatant unit serving with the military, naval, or air forces of any country at war, declared or undeclared."

The amendment also clarifies the exact liability of a company under excluded deaths, whether for war risk, suicide, or aviation, stating that "in the event of the occurrence of any such death so excluded from coverage, the insurer shall pay a sum not less than the reserve on the policy (including the reserve for any paid-up additions thereto) and any dividends standing to the credit of the policy less any indebtedness to the insurer on the policy."

The effective date of the act is July 1, 1940.

The disability exclusion amendment, which would take effect immediately,

eliminates the statement that standard provisions may include "a provision excluding disability resulting from military or naval service." Instead the act states that "any provision that total disability resulting from any specified cause shall be excluded by the coverage shall contain only the following exclusions, which would make the war risk exclusion read, "a provision terminating disability coverage when the insured becomes a member of the military, naval or air forces of any country at war, declared or undeclared, or a provision terminating disability coverage when the insured becomes a member of any auxiliary or civilian non-combatant unit serving with the military, naval or air forces of any country at war, declared or undeclared, or a provision excluding from coverage disability commencing within five years from the date of issue of the policy as a result of an act of war or any act incident thereto, whether such war be declared or undeclared, provided such act takes place while the insured is outside the geographical limits specified in the policy."

#### Action on Other Measures

The legislature dealt with a number of other bills directly affecting policy contracts. One permits a minor, if age 18 or more, to receive annual payments up to \$2,000 and to sign receipts therefor freeing the company of possible further demand for the money on the ground that the minor had not been competent to sign. However, the minor would not be competent to hypothecate these payments. The first draft provided that the minor must be dependent on the insured to come under the new law, but this was eliminated.

This measure has been signed by the governor, as was a bill making policy applications inadmissible as evidence unless a copy was attached to the policy at time of issuance. Awaiting action by the governor are the following measures dealing with policy provisions:

An amendment to the law limiting coverage on minors so that the aggregate limit on all policies would range from \$100 at ages less than six months to \$1,500 at age 13½-14½; and permitting insurance (non-industrial) in excess of the maximum provided the minor is at least 9½ years old and the person effecting the insurance has an insurable interest in the child's life or supports the child. However, a company would not be allowed to issue such a policy if it had knowledge that the insurance on the minor's life was more than half the amount carried by the person taking out the insurance. This act, originally slated to become effective immediately, was changed to a July 1 effective date.

(CONTINUED ON NEXT PAGE)

## PROMINENT AT SOUTHERN ROUND TABLE ADVERTISING MEET



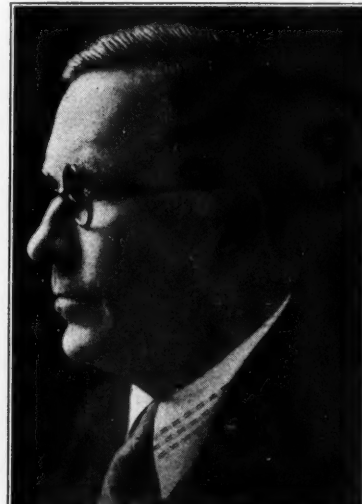
KARL LJUNG, Greensboro, N. C.  
Jefferson Standard Life



BART LEIPER, Chattanooga  
Provident Life & Accident



LORRY A. JACOBS, Dallas  
Southland Life



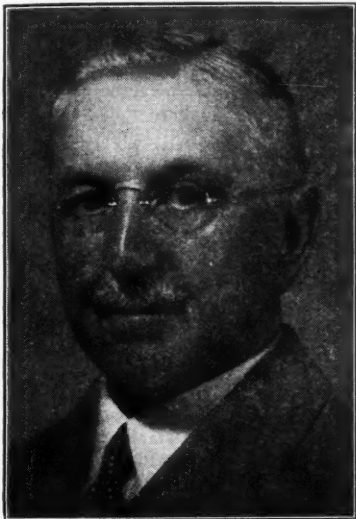
REX B. MAGEE, Jackson, Miss.  
Lamar Life



## War Not to Affect U. S. Policyholders

**Sun Life President  
Speaks at Conference  
in Palm Beach**

PALM BEACH, FLA.—The present war can have no effect upon Sun Life business in the United States, since policyholders are protected by permanent trusts in this country, said Arthur B. Wood, president of Sun Life of Canada,



ARTHUR B. WOOD

at the managerial and agency organization conference of the 43 United States branches of the company. The four-day meeting was opened by W. S. Penny, director of agency organization.

Mr. Wood reviewed the development of Sun Life in the United States since it was established in 1895. At the time of the first world war the company had only 12½ percent of its business in this country against 46 percent today. This amount of business is equivalent to that of a large company and, by its United States business alone, Sun Life ranks as 14th in the United States. Among the 300 life insurance companies operating throughout North America the total business of the Sun Life places it in 10th position. Of the \$703,000,000 Sun Life has invested in bonds and stocks, approximately 53 percent is in U. S. securities. Total assets amount to \$914,000,000. There are 43 branches in 40 states of the Union.

Discussing the present war, Mr. Wood stated that it can have no effect upon Sun Life business in the United States as U. S. policyholders are protected by permanent trusts set up within the United States. Furthermore, Sun Life investments in the United States exceed its liabilities by over \$125,000,000.

Speaking of business generally Mr. Wood was optimistic and stated that as far as Canada was concerned the index of industrial activity has reached an all time high. Canada is the fourth largest trading nation in the world, while Canada and the United States together do more trading with each other than any other two countries in the world, averaging over one and a half billions annually. "Canada as compared with other countries," said Mr. Wood, "is in a particularly favorable position, financially and industrially, to benefit from the improvement resulting from war activities."

Referring to the orders that will be given by the Canadian government this year Mr. Wood said that they will amount to at least \$375,000,000 and that a further \$500,000,000 will be placed by the British government in Canada.

As to what effect the war will have on

the company in the payment of war claims in countries at war where the company operates, Mr. Wood emphasized that the proportion of its business which may become subject to war risks is much less than might be imagined. The average age of Sun Life policyholders is over 40 and the majority are married men, while the total of Sun Life business in force in Canada, Great Britain and other parts of the British empire is smaller than in 1914. Incidentally the company does not operate in any country of continental Europe. The general effect of war mortality, therefore, may be reasonably presumed to be of less importance than during the last war. It is interesting to note that death claims arising from influenza mortality for all companies following the last war were much greater than the total war claims arising out of the war itself.

### War Conditions and Currency

Mr. Wood added a few comments with regard to the effect of war conditions on currency and said that as far as Sun Life was concerned both the premiums and sums assured were payable in U. S. currency on U. S. policies at any branch office within the 40 states where the company operates. Furthermore, the company keeps on deposit with various trustees in the United States under trust deeds, securities at all times more than sufficient to cover its U. S. liabilities. These trust deeds are irrevocable and the securities may be used only for the purpose for which they have been deposited, namely, the protection of the U. S. policyholders. Mr. Wood emphasized that life insurance policyholders of any life company operating in both the United States and Canada are doubly protected by the strict insurance laws of the two countries. This double protection augments further the stability of the institution of life insurance in North America as a whole.

### Training of Agents

L. V. Drury, who heads the Philadelphia branch, talked on the training of agents and illustrated his remarks by tracing the insurance career of a typical company recruit from his beginning until he ranked among the leading producers. G. W. Bourke, actuary of Sun Life, announced the issuance of a new policy to be known as the "family maintenance plan," which is an extension of the Sun Life "family income plan." Mr. Bourke said that there was no "if, as and when" about the "family maintenance plan." A predetermined income continuing over a known period of years enables a definite program to be drawn up to maintain the family and to educate the children. The fear of low interest yields on capital sums is removed by the guarantee of the non-fluctuating income of the "family maintenance plan." The same guarantees of permanency are also available under the company's alternative methods of settlement when the income terminates and final payment is made. The family maintenance benefits have an advantage over the family income plan in that the assured does not feel that his total protection will decrease within the income period. Additional and valuable safeguards are also provided by the conversion privilege under which unforeseen needs and contingencies can be satisfactorily met on a permanent basis. No evidence of insurability will be required for conversion under the terms of the plan.

Further addresses were given by V. B. Harris, superintendent of central U. S. agencies; H. P. Thornhill, joint treasurer; and J. A. Tory, Toronto. Mr. Penny introduced the new officers of the 1939-40 United States Leading Producers Club: F. G. Bentrup, St. Louis, president; H. M. Charlap, Philadelphia; W. A. Hayes, St. Louis; Sadao Asato, Hawaii, divisional vice-presidents; Ernest Pomerantz, Philadelphia; Isadore Cohen, Charleston; M. H. Martin, Grand Rapids; H. V. Miller, Denver, and R. D. dents.

## New York Act Is Specific On War Exclusion

(CONT'D FROM PRECEDING PAGE)

An act permitting the superintendent of insurance to disapprove any policy or endorsement by a domestic insurance company if its issuance would tend to prejudice the interests of policyholders.

### Policies Delivered

A bill to limit the application of the standard policy provisions requirement to "policies delivered or issued for delivery" rather than "issued or delivered" in this state. The previous law might have been construed as barring domestic companies from issuing for delivery in another state a policy legal in that state but banned in New York.

An amendment providing that in the event of a suit involving a policy containing provisions different from those prescribed by statute but approved by the department as being more favorable to the insured, the department's approval shall be subject to review and if the provision in question was not actually more favorable to the insured, the contract shall be enforced just as if it contained the standard provisions.

These bills have the New York de-

partment's approval and will presumably be signed by the governor.

Governor Lehman has signed the bill modifying the reinstatement provisions to make reinstatement depend on evidence of insurability "satisfactory" to the company rather than "reasonably satisfactory" as the new code provided.

The governor also has approved a bill permitting savings banks to charge depositors' accounts with amount of premiums due on savings bank life insurance policies, without presentation of the depositor's passbook.

## Insurance Men Always Achieve Their Goal

Insurance men invariably gain their end. An Associated Press dispatch from Pasadena, Cal., calls attention to the fact that Mrs. Marian C. Paulton, 71, of Sioux City, Ia., said "Yes" finally to Frederic E. White, 72, of Highland Park, Ill., after 50 years. Mr. White is referred to as a "retired insurance company vice-president." He said that he had proposed to Mrs. Paulton in 1890, and she went abroad for six years to think it over. They renewed their friendship two years ago. Finally Mr. White won.

Send 50c for Social Security booklet to The National Underwriter.

"GUARANTEE MUTUAL MEN MUST SUCCEED"

## BUILDERS of MEN

LET'S TALK ABOUT: →

How do we best get him started?  
Office training? What type instruction?  
How much of the General Agent's time should be spent in training?  
When is the new agent ready for field work?  
Joint field work? How and when?  
What prospecting plan is dependable?  
Are set sales talks practical?  
What form of work and time sheets should be used?  
What is best "yardstick" of progress?

New agents have a better chance to succeed with Guarantee Mutual because problems raised by the questions above are threshed out at our unique GENERAL AGENT'S CONFERENCE. This is a two-week round-table, truly "mutual," style, of conference.

"Forward in Forty" really means something with us.

A. B. Olson, Agency Vice-President

The  
New  
Agent



Ask our General Agents about the value of our GENERAL AGENT'S CONFERENCE. It is a part of the "Builders of Men" agency plan.

**GUARANTEE MUTUAL LIFE COMPANY**

OMAHA, NEBRASKA

ORGANIZED 1901

Our Income Continuance plan provides monthly payments for life to our agents beginning at age 65. Ask about it!

## Lester Johnson Now Head of Company

### T. F. Lawrence Resigns as President of the Life of Detroit

DETROIT—T. F. Lawrence, president of the Life of Detroit, resigned at the meeting of the board at which an expression of appreciation for his capable guidance and service was given. Lester L. Johnson of Chicago, formerly vice-president of the Continental Assurance of that city, and more recently director of agencies of the Central Life of Chicago, becomes president of the Detroit company. He resigns his connection with the Central Life. Mr. Lawrence intends to remain in the life insurance business in some capacity. He will take a short vacation and assist the new organization of the Life of Detroit for a while. The company intends to continue its campaign for both ordinary and industrial in Michigan, Ohio and Pennsylvania.

Alfred MacArthur, president Central Life of Chicago, has secured control of the Life of Detroit.

### Fead Named Vice-president

L. H. Fead, formerly a justice of the Michigan supreme court, has been elected vice-president and general counsel of the Life of Detroit, replacing Theodore Levin, who resigned that office. R. B. Locke continues as secretary, a position he has occupied with distinction since the company was organized.

Mr. Lawrence was manager of the Illinois department of the Reliance Life at Chicago when he was elected to the presidency of the Life of Detroit. He had previously been vice-president of the Missouri State Life. He was president of the Chicago Life Underwriters Association and is one of the best known men in the business.

Mr. Lawrence has been identified with life insurance since 1899. He was vice-president of the old Hartford Life and when that was taken over by the Missouri State Life he was transferred to that company as vice-president.

### Lester Johnson's Career

Mr. Johnson is a young man of unusual ability and knowledge of life insurance. When G. F. Claypool was executive vice-president of the Continental Assurance, Mr. Johnson was head of the agency department and conducted it with a high degree of efficiency. He has an all-around knowledge of life insurance operations. After leaving the Continental Assurance for a while he was located in Chicago in charge of agency work of the American United Life. He is a graduate of the University of Chicago. Mr. Johnson started as a soliciting agent of the Continental Assurance in Chicago in 1920, selling life, health and accident insurance. He later was transferred to the service department, became advertising manager and assistant vice-president. He was put in charge of agencies and elected vice-president in 1930.

The directors of the Life of Detroit are now President Johnson, Vice-president Fead, J. M. Luther, Emmett Scott, J. E. Brown, Fred A. Osanna, and Alfred MacArthur, president Central Life of Chicago.

## Midwest Group Conducts Contest

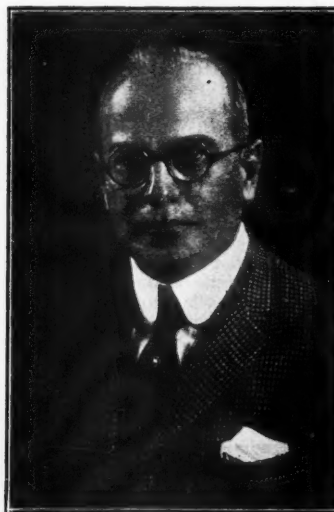
The Central Managers Association of Equitable Society is holding its annual special program of activity, "Par for Parkinson," in April, in honor of President T. I. Parkinson. The winners will celebrate at a presidential dinner in Chicago on May 6. Those privileged to meet with President Parkinson on this

## NEW AND RETIRING PRESIDENTS



LESTER L. JOHNSON

Lester L. Johnson of Chicago, formerly vice-president of the Continental Assurance of that city, and more recently director of agencies of the Cen-



THOMAS F. LAWRENCE

tral Life of Chicago, becomes president of the Life of Detroit. T. F. Lawrence, who has been president, has resigned from that position.

occasion will be limited to the president of the Central Managers Association, the honor presidential delegates, one agent par excellence and one unit manager par excellence.

The one agent and the one unit manager to be known, as the honor presi-

dential delegates will be selected by each agency on its own basis of qualifications. The agent of the central department with the most outstanding record will be designated as agent par excellence. The selection of this agent par excellence will be based upon five points,

## Remarkable Record of an Agent at Columbus, O.

Oscar E. Carlin, member of the Million Dollar Round Table and an agent of the R. W. Hoyer Agency of the John Hancock Mutual Life at Columbus, O., not only led his company for 1939 with more than \$1,000,000 of paid-for business, but he has paid for more than \$2,200,000 in the John Hancock the first two months of 1940. His January production in that company ran more than a \$1,300,000. His February production exceeded \$900,000.

Mr. Carlin, 32 is in his tenth year of life insurance selling, all with the John Hancock. He has constantly been one of the leading producers. He is president of the John Hancock's C.L.U. chapter. In all companies, he has a total 12 months production record of more than \$3,250,000 of business.

lives, binder lives, volume and binder volume, together with the best completed copy of "the work sheet for the development of new business during the month of April, 1940," or any other record which gives a detailed report of calls, interviews, number of applications, volume, etc., showing how the agent utilized his time in April.

At the close of the campaign, each manager will submit to the executive committee the record of his agency's candidate for par excellence rating. The agency from which the agent par excellence is selected will in addition be permitted to send two honor presidential delegates. The unit manager having the most outstanding record during this campaign will be selected as unit manager par excellence. K. M. Sacks, Chicago, is president of the Central Managers Association.

## Sample of Institute's Advertising Campaign for 1940

# Hindsight and Foresight

By HOLGAR J. JOHNSON

President, Institute of Life Insurance



**RELAX.** I haven't anything to sell you. But I spent enough years being a life insurance agent to know that there's something in human nature which makes nearly all of us put up our guards when a salesman appears.

When a man goes in to buy a package of cigarettes, he not only knows exactly what he *wants*, but speaks right out about it. The same man, wanting to buy a new car, will walk into a showroom and indignantly deny that he has the *faintest* interest in automobiles. The salesman just grins and waits and pretty soon the old car is appraised and the man is telling his friends that he *planned* to buy this new car all along!

Now our same man realizes, even though no one has told him so, that he *needs* some life insurance. Let him alone and he'd *never* buy it. He *knows* this about himself and about his

fellows. He looks with scorn on a man who leaves his family unprotected.

*Yet, unless some agent persuades him to DO SOMETHING, he will probably rock along putting off his own insurance program.*

Oh, well, we have clergymen to tell us to be good when we already know we should be. We pay traffic cops to keep *ourselves* from breaking rules we know are right. And we approve of life insurance agents on the same basis, I suppose. We have to assign *someone* the job of teaching us thrift and foresight!

Most of us are like the old farmer who said he didn't need anybody to teach him how to be a *better* farmer; he needed someone to make him be as *good* a farmer as he *already* knew how to be!

**NOTE:** In this regular Monday column, paid for at advertising rates, the Institute of Life Insurance has asked its president to discuss questions of interest to life insurance policyholders. Inquiries may be addressed to 60 East 42nd Street, New York City.

Reproduced above is a typical column from the new advertising campaign of the Institute of Life Insurance which will appear once a week, for the rest of the year, beginning April 22. The campaign will appear in newspapers with a circulation of 20,000,000.

The campaign was originally scheduled to start April 15.

The campaign is in the form of a signed column. The column resembles

the syndicated columns of the day. The title is "Hindsight and Foresight" and will be signed by Holgar J. Johnson, president of the Institute.

Details are given in a broadside, 105,000 copies of which are being mailed to agents this week.

Agents can send reprints to lists.

When subjects with technical aspects are discussed, briefs will be prepared that will go into more detail and can be

secured from the Institute by agents who desire them.

Agents are urged to use the telephone whenever a column takes up something that has been previously discussed by the agent and a policyholder.

A series of advertisements has been prepared for insertion by the agent, at his expense, in local newspapers. Mats may be obtained from the Institute at cost.



## Atlanta Mid-Year Rally Miniature Annual Convention

(CONTINUED FROM PAGE 1)

larity became even more pronounced as a result of the Atlanta convention. Considerable interest was taken in the question of the 1941 meeting place with six cities submitting bids. Cincinnati staged the most conspicuous demonstration.

The sales congress was highly successful with attendance exceeding 400.

### Zimmerman Gives Report

President Zimmerman opened the national council session. In his address he covered the points that he has been treating in local talks during recent weeks, emphasizing the TNEC investigation.

Robert L. Jones, State Mutual, New York, reported as treasurer. He said the association now has a "solid invested surplus" of \$47,719. W. M. Duff, Equitable Society, Pittsburgh, suggested that a collection be taken on the spot to bring the surplus to \$50,000. Mr. Jones explained that the surplus is actually now in excess of \$50,000, but that the report was as at Feb. 29.

W. H. Andrews, Jr., Jefferson Standard, Greensboro, reported as membership chairman. As of March 1 the membership was 23,844. That compares with 19,935 as at March 1, 1939. The year ends June 30. As at June 30, 1939, the membership was 27,180. The total of the quotas to be achieved by June 30 is 35,114. The number of associations whose membership at March 1 exceeded their membership as at June 30, 1939, is 101. The number of associations that are already ahead of their June 30 quota is 23.

### NEW LOCAL UNITS

John A. Witherspoon, John Hancock, Nashville, as chairman of the committee on the general agents and managers association, said that 15 new local units have been established so far this year.

O. D. Douglas, Lincoln National, San Antonio, gave a review of the discussions that had taken place the previous day at the meeting of state association presidents. Mr. Douglas is chairman of the committee on state associations.

Clancy D. Connell, Provident Mutual, New York, gave a talk on the agency practices code. He said the committee has been disappointed that there has been no significant increase in the number of signatory companies. Of the 132 eligible companies, 64 are signatories. There is rather universal support of the idea of eliminating part timers in cities of 50,000 and more, he said, but there

is less support of the program to eliminate the unit. The general agents, he said, are largely to blame. Too many are bringing pressure upon their home offices to give an unit man "just one more chance." Then, he said, there is the fact that many of the unit are not eliminated from the business because an unit man may be eliminated from one agency only to be picked up by another. There has been some sentiment in favor of cutting the size of the city where part timers shall be eliminated. Mr. Connell said the committee does not share that opinion. It believes the first objective should be increasing the number of signatory companies, the second to eliminate the unit to a greater extent and third to bring about the adoption of more "codes" in the various cities. Mr. Connell called upon those in the audience to give the names of those cities that now have such "codes."

### Resolution Is Adopted

A resolution offered by Mr. Connell was adopted. It reaffirms faith in the agency practices agreement and calls upon the membership to increase the number of signatories. There is attached to the memorial a list of signatory and non-signatory companies.

Ray Hodges, Ohio National, Cincinnati, secretary of the National association, took command of the period devoted to the subject of agents' compensation. He is chairman of the National association committee on agents' compensation.

He called on John Marshall Holcombe, manager Research Bureau, who reviewed the steps that have been taken by the bureau in its study of the subject. Last summer, he recalled, the bureau named a committee to ponder the subject. On the committee is represented the National association, actuaries, chief executives of the companies, Research Bureau, and agency officers. M. A. Linton, president of Provident Mutual, was selected as chairman. Vice-chairman is E. McConney, vice-president of Bankers of Iowa. He then presented Mr. Linton, who was greeted by a standing ovation. His remarks are reported in another column.

### Johnson Offers Memorial

Eric Johnson, Penn Mutual, Pittsburgh, read a resolution commending the study and urging the committee to prosecute its deliberations as rapidly as possible. The resolution was adopted. A discussion was conducted, while Mr. Linton remained on the platform.

At the afternoon session Roger B.

Hull, managing director, gave a talk on today's trends. He said the agents should not get a false sense of security from the fact that the TNEC has temporarily adjourned. The field forces, he declared, must be kept under arms; they have enlisted for the duration of the war. The time has come for a program of fortification, entrenchment and perhaps reconstruction. He said there is plenty of numerical strength in the association, the emphasis should be on making the association influence felt among agents in the outlying districts, so that the legislative work can be even more effective.

### Commends T. A. Buckner

Mr. Hull referred enthusiastically to the recent word of T. A. Buckner, chairman of New York Life, who recommended that New York Life representatives join the National association because this is a day when all should enter upon the common cause.

Mr. Zimmerman announced the results of the balloting for members of the nominating committee. The election procedure was handled by A. E. McKeough,

Ohio National, Chicago, chairman credentials committee.

C. Vivian Anderson, Provident Mutual, Cincinnati, conducted a period on legislative work. He said his committee has letters from 80 percent of the U. S. senators and 75 percent of the members of the lower house asserting their opposition to federal control of insurance and federal entrance into the insurance business. He advocated an aggressive rather than a defensive policy on the part of insurance in connection with legislation. He expressed the belief that the proposal of Senator Wagner to have the federal government sell annuities at 30 percent below the cost in private companies will never come up. Wagner, he declared, has been deluged with expressions of opposition. Mr. Anderson takes a fighting position in dealing with insurance detractors and he makes a vigorous presentation.

### Official Word Is Spoken

Mr. Zimmerman had O. Sam Cummings, Kansas City Life, Dallas, as chairman of the resolution committee, read a resolution on the Wagner annuity proposal that was adopted.

Annuities cannot be sold by the government on a sound actuarial basis for lower premiums than annuities issued by legal reserve life companies, unless a



*You are cordially invited to attend  
Open House to be held at the newly  
remodeled and redecorated  
Home Office Building  
April fifteenth to nineteenth, inclusive  
Nine A. M. to Ten P. M. daily*

### THE FRANKLIN LIFE INSURANCE COMPANY

SPRINGFIELD, ILLINOIS  
CHAS. E. BECKER, President

*56 Years of Distinguished Service  
Over \$177,500,000.00 Insurance in Force*



Steacy Webster, Provident Mutual, Pittsburgh, giving talk during national council meeting at Atlanta; W. W. Hartshorn, Metropolitan Life manager, Hartford.



Scenes from mid-year meeting of National Association of Life Underwriters. N. Baxter Maddox, Connecticut Mutual, Atlanta, chairman of host committee; B. J. Stumm, Northwestern Mutual, Aurora, president Illinois state association; Harriette Sampson, Travelers, Bangor, secretary-treasurer Maine association; Joy Luidens, secretary Chicago association; Roger B. Hull, managing director National association in course of talk; also at speakers table are Harry T. Wright, Equitable Society, Chicago, national vice-president, and C. V. Anderson, Provident Mutual, Cincinnati, former national president.

government subsidy is set up, which means that the taxpayers would be required to make up the deficit, the resolution asserted.

The agents will unalterably oppose any plan for participation by the government in the annuity business which is not set up on a sound actuarial basis.

The failure of an early attempt in England to supply life insurance through post offices and a currently unsuccessful and ineffective attempt to sell annuities by the Canadian government, prove that such a system supplies no substitute for the service of the agent.

It has been due primarily to the efforts and service of agents that \$114,000,000 of protection has been placed upon the lives of 64 million American citizens—70 percent of all insurance in force in the world—and any government competition with the established system of distribution of insurance and annuities will have an uneconomic effect upon the establishment and preservation of individual reserves for the future financial independence of more than 100 million Americans, when beneficiaries and dependents of policyholders are taken into account.

#### No Longer Fears Washington

Mr. Anderson said he no longer fears the Washington threat. The politicians have come to understand the "wallop that life insurance packs," he said, and the leaders are not disposed to interfere with the operations of a business such as life insurance which is going along so well.

Herbert Thompson, attorney for the Michigan state association, and secretary of the committee on state legislative procedure, spoke on state legislative activities. Possibly, he said, insurance men have relied too much upon the generosity and activity of a few strong men. An effort is now being made to create a grass roots organization that will relieve the leaders. The states are being divided and subdivided for legislative work. A survey is made of the individual legislators and an effort made to find an agent who can talk to that solon in his own home on a first name basis.

#### Psychology of Legislator

If a legislator has a single contact who can lead him to a source of friendly, intelligent information that he can trust, he will be grateful. Most legislators resent mob scenes, being deluged with letters, etc. They much prefer to be able to get authoritative background to help them reach decisions on bills. The legislative committee seeks to provide such sources of data for the legislatures. Contacts with legislatures rust; they must be kept polished. The approach should be made in the off years, so that the contact can ripen and solidify.

Mr. Thompson advocated collaborating with other insurance interests—fire, casualty, fraternal, etc. He said the com-

mittee works closely with the Life Presidents Association and American Life Convention. He said these associations furnish invaluable information. The local people get a better reception, however, when it comes to personal appearance at hearings on bills.

#### FEDERAL SUPERVISION

Julian S. Myrick, Mutual Life, New York, gave a talk on the issue of federal supervision. He quoted from several utterances on the subject, including those of C. C. Neslen of Utah, president National Association of Insurance Commissioners; of the American Life Convention and of Superintendent Pink of New York. He said the business should be prepared to resist any effort to decentralize supervision and "make it just another bureau in Washington."

Sam Cummings offered a resolution on federal control that was adopted.

Under the resolution the association affirms its belief that any needed improvement in or correction of practices can be best effected under existing supervision and through the individual state departments, rather than under regulation by any federal bureau or other agency, since corrective legislation can more readily be initiated in the states to effect the prompt solution of any problem which may arise in regard to life insurance.

The first concern is to provide dependable insurance service at the lowest possible cost, and insurance should not be burdened with the additional and unnecessary expense of any direct or indirect federal supervision, replacing, supplementing or superimposed upon state supervision.

Every company operating in more than one state must meet all of the requirements imposed by the states in which they operate, and any system of federal regulation would eliminate the fundamental supervision and regulation of 49 supervising agencies.

The memorial urges state commissioners to continue strict enforcement of all laws and regulations.

#### Harry Wright Gives Talk

Harry T. Wright, Equitable Society, Chicago, National vice-president, gave a talk on the agency system. Life insurance, he said, requires more persuasion in its sale than almost any other product or service. He then cited the Wisconsin state life fund, which has been in existence since 1913, and has now but \$2,000,000 insurance in force. Very little insurance is purchased upon the initiation of the buyer. Mr. Wright gave some examples from his own experience to indicate the service that is rendered by the insurance man.

Mr. Wright pointed out the agent helps to reduce taxes by selling men on the idea of making provision for themselves and their families. James Ruther-

ford, Penn Mutual, Des Moines, and L. Mortimer Buckley, Provident Mutual, Chicago, gave short, stirring messages on the agency system.

#### John Williams Introduced

Mr. Zimmerman had John P. Williams, director of education of the American College, take a bow.

John W. Yates, Massachusetts Mutual, Los Angeles, gave a message on life insurance information for the public. He referred to what his committee had done in connection with the TNEC investigation, post office annuity plan and fee counsellors. The committee sponsored showing the Institute films.

Mr. Yates presented E. A. Krueger, State Life, Indianapolis, who reviewed what the Indiana association has done in the field of publicity. He advocated making "spot" news, by creating activities that are interesting to the public.

Others who contributed to Mr. Yates' hour were Jess W. Moore, Mutual Life, Springfield, Mo.; Steacy Webster, Provident Mutual, Pittsburgh, and A. Walton Litz, Franklin Life, Nashville.

#### ACTION ON COUNSELLORS

Sam Cummings offered a resolution on fee counsellors that was adopted.

The resolution states there has recently been a great increase in the number and in the activities of so-called insurance counsellors or insurance advisers, or insurance abstractors.

Many of them have indulged in unscrupulous practices and have made fraudulent misrepresentations to the public and self-serving and unfounded attacks upon life insurance. Any legitimate services which these advisers purport to render are already available to policyowners, without cost, from the companies and their agents.

These operations are increasingly resulting in the tearing down of the reserves of policyowners to their great harm, and have frequently deprived uninsurable persons of their life insurance, and in the loss of much of their future financial security.

The memorial commends the trustees of the National association for their decision at their December, 1939, meeting, to prosecute an investigation into these operations and activities, and to consider means of exposing their harmful effect upon the policyowners of America, and to devise means of advising the public as to the true facts and of ending the tremendous loss of security and protection.

#### Company Cooperation Asked

All life companies are urged to cooperate with the association in the investigation and campaign of education.

Insurance commissioners are urged to oppose these unscrupulous operations in every possible way, and to offer to the public all of the protection to which they

are entitled, to the end that policyowners may not be deprived of the services of qualified and trained agents and in order that the latter may not be unjustly discredited and that the confidence of the public in insurance may not be weakened.

Another resolution cited the fact that in the fall of 1930 a special committee of the Life Underwriters Association of New York, and of officers representing various life companies which transacted business in New York organized a program among companies to cooperate in solving the problems of replacement.

In 1931 the program was enlarged to include all companies that were willing to cooperate. The replacement program was put into the hands of the Association of Life Agency Officers. There has since been a continuous constructive effort on the part of life companies generally to raise the standards of cooperation in this field; and the National association has cooperated in every way to make the replacement program a successful one.

On April 1, 1940, 93 companies are signatory to that agreement.

Under the resolution the association pledges its fullest cooperation with the replacement program.

The final feature was the appearance of Holgar Johnson, president of the Institute of Life Insurance.

#### REPORTS ARE DIGESTED

In pursuance of the practice in the last two or three years, the reports of the committees were prepared in mimeographed form and placed at the seat of each of the delegates at the national council meeting. Except for features in three or four of the reports that were discussed, no reference was made to these reports during the meeting.

The committee on cooperation with attorneys, G. E. Lackey, Massachusetts Mutual, Detroit, chairman, referred to the national statement of principles of cooperation between life underwriters and lawyers that was issued March 14. That declaration was the result of a series of conferences extending over a year, the committee stated. The committee urged local associations to appoint committees on cooperation with attorneys and to make the declaration of principles the opportunity for launching a program.

The committee on cooperation with trust officers, Paul H. Conway, John Hancock, Syracuse, chairman, stated that fewer and fewer situations requiring diplomatic attention seem to arise each year. This, he attributed to an improvement in the economic situation that has resulted in the stabilization of existing trust accounts and to the fact that there is a greater degree of mutual understanding.

The committee on cooperation with



United States Chamber of Commerce, Julian S. Myrick, Mutual Life, New York, chairman, reported that it had co-operated in distributing thousands of copies of the 32-page reprint of the "Case for Insurance" that appeared in the January edition of "Nation's Business." The committee has had effective support from the U. S. Chamber in promoting the so-called Loneragan amendment under the caption "Insurance Assigned by Decedent," the committee recommended an amendment to section 302 (G) of the revenue act of 1926, which may become valuable support in connection with the unfortunate situation that has developed as a result of the decision of the U. S. supreme court in the Hallock case and the "St. Vitus dance from which we are suffering in the Bailey case."

The bulletin on replacement, which has been in process of revision, will be ready for wide distribution shortly and the committee states it will be very helpful in activities against the professional twister.

### ON TO PHILADELPHIA

James E. Rutherford, Penn Mutual, Des Moines, as chairman of the "On to Philadelphia" committee, reported 10 definite steps that his committee has taken to stimulate attendance at the annual convention this fall.

W. W. Hartshorn, Metropolitan Life, Hartford, as chairman of the committee on publications, mentioned that changes in improvements in typography and layout of "Life Association News" have been made. Further changes are contemplated.

The committee of women underwriters, Beatrice Jones, Equitable Society, New York, chairman, stated that a compilation is being made of all women agents. The work so far indicates that there are about 4,000 such agents in the country. Each woman was requested to supply information describing her production. That information is now being gathered together and a report will be given at Philadelphia.

At the Philadelphia convention in the women's meeting, one part of the pro-

gram will be devoted to "Why Women Buy, a Study of Motivation." It may be that women from other fields will appear on the program to talk on this point.

Consultations will be arranged at Philadelphia for the visitors on set subjects such as estate planning, taxation, business insurance, and C.L.U. studies. Publicity items concerning women are being collected and this will be assembled at Philadelphia.

### Plan Agents Training Course

The committee on education, H. A. Hedges, Equitable Life of Iowa, Kansas City, chairman, stated that during the past three months the committee has undertaken to build an agents training course that will encompass all classes of agents. The first section will cover the fundamentals of insurance and selling and will be available to managers in inducting and training new men. The second section will be based on the so-called "St. Louis plan" and the third section will carry the established agent into the final and advanced stages of selling. These three courses will be offered to local associations during the summer. The committee is studying the idea of extending the adult education plan that has been adopted in California to other states. Professor Fowlkes of the University of Wisconsin expects to be able to offer within the next two months a complete and acceptable life insurance text for use in high schools together with a series of teaching units for use in conducting classes in life insurance in high schools.

### Committee on Information

John W. Yates, Massachusetts Mutual, Los Angeles, reporting as chairman of the committee on life insurance information, said that since the St. Louis convention 10 important releases have been sent out from national headquarters to local associations for communication to their newspapers. These included Wagner annuity proposal, federal supervision, services of American agency system, TNEC study, addresses of Senators Tydings, King and Burke, national essay contests, institute film. The local publicity chairmen are giving effective support in giving currency to these re-

leases. Nearly 1,500 column inches of space was given to the Wagner annuity release.

The committee on state and regional associations, O. D. Douglas, Lincoln National, San Antonio, chairman, in response to a letter to state presidents, got numerous suggestions for the administration of state associations. Practically all of the presidents suggested that more attention be given to legislative matters and education of the agents. The committee has furnished to each state president a list of all cities of 10,000 or more, showing the active associations, places where associations have existed and died, and prospective associations. New associations organized or reinstated since the St. Louis convention number 13 and there are 13 new associations in the process of being organized.

The committee on local association administration, Earl F. Colborn, Connecticut Mutual, Rochester, chairman, reported that it has had a good response in its effort to encourage inter-association meetings; that in June it will initiate a campaign to have one-day training conferences held for new local association officers; that recognition certificates to presidents of local associations are ready for distribution; that the reports developed in a questionnaire involving 90 questions on local association administration, are being studied and will be useful in the preparation of a loose leaf handbook of local association administration. This hand-book, the committee states, will probably be ready at the time of the Philadelphia convention.

C. Vivian Anderson, Provident Mutual, Cincinnati, reported as chairman of the committee on law and legislation. He recalled that several members of the committee appeared before a committee of the treasury department in regard to the Loneragan amendment. After the conference it was decided not to go any farther with the amendment until the committee had the assurance of the treasury department that it approved the measure. Since that meeting in

tion meetings; that in June it will initiate a campaign to have one-day training conferences held for new local association officers; that recognition certificates to presidents of local associations are ready for distribution; that the reports developed in a questionnaire involving 90 questions on local association administration, are being studied and will be useful in the preparation of a loose leaf handbook of local association administration. This hand-book, the committee states, will probably be ready at the time of the Philadelphia convention.



## More Money Where More Money Is Needed

Accident insurance designed to meet the actual hazards of the day, particularly the costly automobile accident — a contract that pays extra benefits for accidents due to automobiles instead of to common carriers. Example of benefits:

Weekly Income	
For ordinary accidents	\$ 50
For automobile accidents* (in car or struck by one)	100
For Loss of Life, Limb, Sight	
If due to ordinary accidents	\$10,000
If due to automobile accidents*	20,000
Payments for other losses increase 100% also	

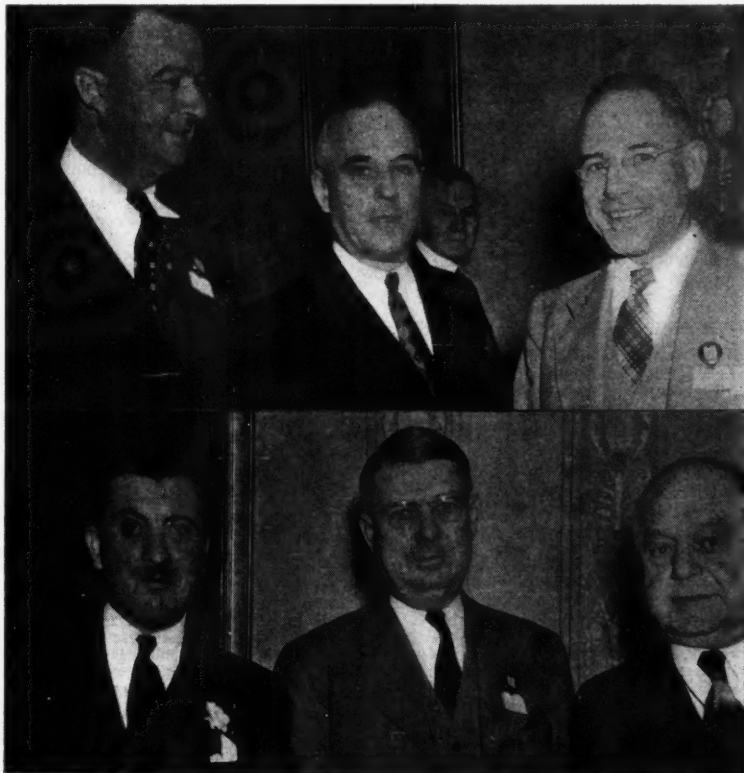
### Reimbursement

For expenses incurred for hospital, doctors and nurses up to \$1,000

\*Rider provides extra protection for automobile accidents up to 100% of lump sum and weekly benefits payable for ordinary accidents.

Description and rates at local office.

**Connecticut General  
Life Insurance Company**  
Hartford, Conn.



Before the camera at Atlanta mid-year meeting of National Association of Life Underwriters. E. T. Proctor, Northwestern Mutual, Nashville; Harry T. Wright, Equitable Society, Chicago; Earl F. Colborn, Connecticut Mutual, Rochester, N. Y. Bottom row—Wilfrid Jones, editor of publications National association; E. W. Baker, Prudential, Louisville; H. G. Wischmeyer, John Hancock, Cleveland.

Washington very little has been done on the amendment because other matters that were more imperative developed.

In the famous Bailey case Roger Hull, managing director National association, and Albert Hirst, counsel for the New York state association, called on the attorneys for Bailey's executors and asked to be considered in a rehearing before the court of claims. At the same time a brief was presented in the Dryden case which was parallel to the Bailey case and a favorable decision was given by the district court. The Dryden case has not been appealed by the government. At the same time Mr. Hull received permission to file a brief in the Keefe case in the first United States circuit court of appeals. This case is still pending.

In the meantime, the U. S. Supreme Court decided in the Hallock case that where a donor reserved the right in an irrevocable trust to have the corpus of the trust revert to his estate in event the beneficiary should predecease the donor, such trust should be considered part of the donor's estate.

Upon a first reargument, the U. S. court of claims, in the Bailey case and prior to the Hallock decision, ruled that in view of the fact that the beneficiary had paid the premium, the insurance would not be part of the insured's estate.

#### Second Reopening of Case

Immediately after the Hallock decision upon a second reopening of the Bailey case, the court of claims took the position that even though the beneficiary had paid the premium, if the insurance would have reverted back to the insured's estate upon the prior death of the beneficiary, then it was part of the insured's estate.

This leaves the committee in a position of either having to take a similar case to the supreme court (which is going to be done with the Bailey case) or immediately asking that the law be clarified defining incidents of ownership, and even though the supreme court may decide that the insurance is not part of Bailey's estate it may be good business to ask Congress to pass a law clarifying the whole situation so there will be no question in the future. The committee is receiving cooperation from the American Bar Association.

In regard to the Wagner annuity proposal, Mr. Anderson reported that replies from senators and representatives indicate a large majority is not in favor of the government entering the annuity business or any phase of the insurance business, and the suggested amendment has not been introduced by Wagner. Nevertheless the committee is continuing to urge that all senators and representatives be advised of what is going on and what might happen before Congress adjourns.

In connection with discussion of the TNEC investigation, Mr. Anderson expressed regret that the press carried very garbled reports of the excellent testimony given by C. J. Zimmerman, president of the National association. The association, he declared, in the future should have its publicity department get into action in similar circumstances.

Mr. Anderson recommends that since there may be some new developments in the Bailey case insurance men be careful of their recommendations to policyholders, for fear more damage may be done by taking too hasty action than by waiting until a final decision is reached.

## Atlanta Guests Are Superbly Feted

Two of the most gracious entertainments ever accorded those attending meetings of the National Association of Life Underwriters were those at the Atlanta mid-year meeting given by Walter Hill, president of the Retail Credit Company of Atlanta, and by Baxter Maddox, Connecticut Mutual general agent, who was chairman of the host committee.

Mr. Hill was host to more than 250 at



Groups at Atlanta meeting of National Association of Life Underwriters. Top panel (left to right)—R. J. Turney, Mutual Life, Charleston, W. Va.; C. V. Anderson, Provident Mutual, Cincinnati; H. K. Cassidy, Pacific Mutual, San Francisco; Emory Jenks, Pacific Mutual, Atlanta.

Second row—W. M. Houze, John Hancock, Chicago; W. Stanton Hale, Fidelity Mutual, Atlanta; J. H. Brennan, Fidelity Mutual, Chicago; Philip B. Hobbs, Equitable Society, Chicago.

Third row—Fred Rench, National Life, president St. Louis association; H. M. Nunnelley, Provident Mutual, president Birmingham association; A. E. McKeough, Ohio National, Chicago.

a cocktail party and dinner at the elite Piedmont Driving Club. The guests enjoyed mint juleps prepared in the most perfect southern fashion and then sat down for dinner in the spacious and magnificent dining hall. Mr. Hill presided at the dinner and presented Robert Strickland, president of the Trust Company of Georgia, who made a stirring address on American principles that made a strongly favorable impression upon the group. Mr. Hill was assisted in entertaining by the executive staff of Retail Credit, including Parker J. Sanford, sales manager, and J. C. Malone, vice-president and general manager.

Mr. Maddox was host at a cocktail party and reception at the famous home that he occupies with his parents, Robert Maddox, who is a former president of the First National Bank of Atlanta, and Mrs. Maddox. The guests included about 100 out of town delegates, officers, trustees, etc., and the Atlanta managers. The Maddox home is one of the capital features of Atlanta life. It is one of the older mansions of the city, superbly located on Pace Ferry road. The Maddox

family entertains in most gracious style. Mrs. Maddox once had at the home and on the lawn 800 members of the Garden Club of America. Mrs. Robert Maddox immediately won her way to the affection of the group and before the day was out, the guests joined, to the accompaniment of a Negro accordionist, in singing "For She's a Jolly Good Fellow."

Among the company executives attending the Atlanta sessions were A. T. Maclean, vice-president of the Massachusetts Mutual Life, and Cecil Woods, president Volunteer State Life.

Walter Barton, president of the C. B. Knight agency of Union Central Life in New York, worked in the convention with a motor trip in company with Mrs. Barton and their two sons, the elder of whom is a junior at Princeton. They stopped at Washington, Williamsburg, and other points.

C. C. Clabaugh, manager of agencies of Maryland Life, was an interested spectator. He went from Atlanta to Thompson, Ga., to attend the funeral of C. F. Hunt, manager of Maryland Life, who had represented the company 20 years. He was 65.

The birthday of Miss Joy Luidens, secretary of the Chicago association, fell on the day of the sales congress, and the reception at the home of Baxter Maddox and his parents. She was wearing two orchids, one the gift of C. J. Zimmerman, national president, and the other of Baxter Maddox. L. Mortimer Buckley, president of the Chicago association, sent flowers to her room and she received numerous telegrams. She was given a birthday call at the sales congress luncheon.

Paul Sanborn, Connecticut Mutual general agent at Boston, who is an accomplished deep sea fisherman, tried to get a companion to go with him to Miami, where his fishing boat is moored, for an expedition in those waters. He almost captured T. M. Riehle, Equitable Society, New York, but Mr. Riehle, reflecting on the fact that he had already been to Florida three times this season, reluctantly declined. Mr. Sanborn finally gave up the idea, too.

Cliff Henderson, Prudential ordinary manager at San Francisco, covered the Atlanta meeting in the course of a cross country and up and down country motor trip, accompanied by Glen McTaggart, Prudential manager at Denver, and Mrs. McTaggart. They went by train to Kenosha, Wis., where Mr. Henderson bought a new car. They drove to Atlanta, then departed for Miami. They will go to Newark for the Prudential managers conference and then will strike back west. Mr. Henderson expects to put some 6,000 miles on his car by the time he returns to the coast.

Wilfrid Jones, editor of publications of the National association, and Mrs. Jones motored to the convention and then drove on to New Orleans for the meeting of the southern round table of the Life Advertisers Association, which Mr. Jones is addressing.

Mr. Jones and Ben Cothran of the J. Walter Thompson Advertising agency did a conspicuously successful job of getting publicity for the convention. The Atlanta papers featured the proceedings with lengthy front page articles, pictures and editorials praising the business. The Associated Press sent out a 750-word story on the speech of Holgar Johnson, president of the Institute of Life Insurance, at the national council meeting.

W. H. Dallas, head of the underwriting department of Aetna Life, enjoyed the meetings and entertainment in Atlanta. He made the stop en route home from the meeting of Aetna Life managers at Hollywood, Fla.

Jess W. Moore, Mutual Life, Springfield, president of the Missouri association, motored to Atlanta with Mrs. Moore. They are returning by way of New Orleans. They will be seeing much of the country this spring, as they intend to motor to Quebec in May for the meeting of the field club of Mutual Life.

Grant Taggart, California-Western States Life, Cowley, Wyo., a national trustee, had a meeting with the Memphis association on his way to Atlanta. Mr. Taggart has written some \$300,000 of business this year. His company last week sent out a statement that a \$100,000 policy that he sold recently was the largest case that he has ever placed. Mr. Taggart says, however, that he has placed two others of the same dimensions during his career.

W. M. Houze, John Hancock, Chicago, went from Atlanta to Buffalo, to address a meeting of the John Hancock general agency there.

Gerard S. Brown, Royer agency Penn Mutual, Chicago, arrived in Atlanta from Miami where he had been vacationing.

Five general agents of Jefferson Standard Life attended the meeting: Russel Smith, Houston; O. P. Schnabel, San Antonio; R. M. White, Dallas; Lee Denson, Meridian, who is president of the Mississippi state association, and W. H. Andrews, Jr., Greensboro, a national trustee. The three Texans made the trip together by motor, and stopped at the home office for three days before going to Atlanta. Mr. Smith left Atlanta, after attending the managers meeting. He has put on five new men since the first of the year and wanted to be back on the job. He has set an ambitious goal for this year.

Cecil Fulton, vice-president of Home Life, took in the Atlanta meeting during the course of a southern agency trip. He had been in North Carolina for some time, where his company commenced active operations just a few months ago.

M. A. Linton, president of Provident Mutual Life, took a place at the Illinois table during the national council meeting, seated between two distinguished Provident men from the Ewing agency of Chicago—L. M. Buckley, president



Chicago association, and George Huth, who had motored to Atlanta together. Mr. Linton had a small bandage on his face, as he had just recently undergone a minor operation.

The Alabama association had as its representatives **Herbert J. Baum** and **Herbert J. Baum, Jr.** The elder Mr. Baum is general agent for Protective Life at Birmingham and for years has been one of the leading producers of that company. He is president of the Alabama state association. Mr. Baum, Jr., has been associated with his father 3½ years and he was in Atlanta, taking the place of the regular Alabama national committeeman, who could not attend. Mr. Baum, Jr., has just been notified that he has passed all of the C. L. U. examinations.

**James Rutherford**, Penn Mutual general agent in Des Moines, a national trustee, excited some curiosity by the fact that he was carrying two watches. He explained that he uses these instruments in a closing device. He sets one of the watches 15 minutes ahead of the other and says to the prospect, pointing to the watch that is ahead: "Now, Mr. Prospect, it will be just that time when the doctor will be able to tell us what we can do." He finds that the medical close is particularly effective.

At the sales congress luncheon **Henry M. Powell**, general agent for State Mutual Life, presented to each of the national officers and trustees one of the famous Stone Mountain half dollars.

## Joint N. Y. Legislative Unit Maps Survey of Many Issues

**BUFFALO** — Marking the beginning of its fourth year as a survey group, the joint legislative committee on revision of the insurance law will embark shortly on an investigation into several phases of the business. This was announced here by Assemblyman R. Foster Piper, chairman of the committee.

One of the questions on the list is the matter of obtaining "adequate representation of policyholders in the directorate and management of mutual life companies," Mr. Piper stated.

"The Temporary National Economic Committee in 1938," he said, "served notice that unless the legislature of New York took steps to rectify the lack of proper representation by policyholders in the directorates of the large mutual life companies the federal government might feel obliged to find some way to bring this about."

The Piper committee presented at the 1940 session a bill to provide a vehicle for independent nominations of directors, but did not press it, pending further study.

Another problem set down for definite study is "a fair schedule of surrender charges." The Piper committee presented a bill dealing with this problem at the 1940 session, but action on the measure was deliberately withheld.

Next on the agenda is a proposal that the insurance department be given supervisory powers over pension and retirement systems conducted by industries and other corporations.

Another problem to be studied is the fact that in many employee life, health and accident relief organizations, members are not permitted to retain their membership after severance of employment. A bill designed to correct this situation was offered by the committee at the 1940 session. It provided for employee continuance of membership to these organizations. Requests for further study, however, were presented, and Piper ruled that the subject could well be given further study.

Another item on the survey relates to establishment of a revised mortality table for ordinary life. The 1940 legislature enacted a law providing for a new mortality table for industrial to become effective Jan. 1, 1942.

C. T. Davies, million dollar policyholder, tells "Why I Bought Life Insurance" in 16-page booklet, 8 for \$1. Order from National Underwriter.

## Calls for Changes in Mutual Law

### Grand Jury in Denver Urges Stiffening Requirements Better Control

**DENVER**—Drastic changes in the insurance laws as applying to mutuals writing compensation, life, health and accident insurance were recommended by the county grand jury in a report to District Judge F. F. Miles. Commissioner Luke Kavanaugh testified before the grand jury and it is understood the recommendations were based on his suggestions.

#### Point Out Serious Faults

The grand jury pointed out that under a 1915 law, which has never been repealed, a mutual writing compensation could be organized with a capital of only \$54. It also stated a law passed in 1921 required companies writing workmen's compensation to have a capital of \$75,000 but that this law did not require the amount to be deposited with the insurance commissioner.

The jury recommended the 1915 law either be repealed or amended to conform to the 1921 statute, and the latter be amended to require that the \$75,000 capital be deposited with the insurance department.

"As to companies organized under the 1915 act and doing business at this time, it is recommended that they be permitted to build up the \$75,000 reserve required by placing a percentage of all premiums collected in the fund until the sum required is accumulated," the report went on. It was stated the present law relating to organization of mutual health and accident companies requires only that a deposit of \$1,000 be made with a Colorado bank and that the deposit can be withdrawn the day after organization is completed. The grand jury recommended the deposit requirement be increased and the money be deposited with the commissioner in accordance with the general capital deposit law.

#### Urges Department Supervision

Relating to mutual benefit associations, the report said: "Under the present statutes, mutual benefit associations are under the supervision and control of the commissioner or building and loan associations. Without any reflection on the commissioner or his department, it is recommended that in the interest of economy and efficiency, these associations as well as other insurance companies and associations be put under the supervision and control of the department of insurance."

The grand jury finally recommended that the special insurance committee appointed by the house of representatives during the last legislature and empowered to act as an interim investigating committee obtain the services of a qualified insurance man and recommend necessary changes in the law to the next legislature.

#### Nebraska Leaders in 1939

Leaders in life insurance in Nebraska in 1939, as reported by the Nebraska department, were:

	New Bus.	In Force
New York Life.....	\$5,089,186	\$63,426,522
Prudential.....	4,747,728	39,655,153
Bankers of Neb.....	4,147,706	59,051,638
Northwestern Mut.....	3,777,390	55,090,366
Security, Neb.....	3,110,778	25,096,910
Metropolitan.....	2,955,686	34,913,572
Lincoln Liberty.....	2,831,086	16,585,494
Equitable Society.....	2,609,653	39,574,263
Union Nat., Neb.....	2,575,709	9,339,396
Lincoln National.....	2,492,162	20,317,380
Mutual, N. Y.....	2,251,350	27,481,838
Bankers, Iowa.....	2,115,901	23,096,940
United Benefit.....	1,975,634	6,814,992
Guarantee Mutual.....	1,966,494	14,863,563
Union Central.....	1,730,463	21,676,178
John Hancock.....	1,634,671	6,723,706
Midwest, Neb.....	1,541,556	15,017,301
Farmers & Bankers.....	1,496,474	2,487,500
Travelers.....	1,428,975	20,120,584
Amer. Reserve, Neb.....	1,239,449	11,670,391

## U. S. Court Rules on "106" Contracts

### Life and Annuity Combinations Entitled to Share in \$40,000 Exemption

**NEW YORK**—Combination single premium non-medical life and annuity contracts, which were formerly very popular and still would be if the companies had not sharply curtailed the amounts they would accept, are entitled to the regular life insurance exemption up to \$40,000 in computing federal inheritance taxes the U. S. circuit court of appeals has ruled, upholding the board of tax appeals and overruling the bureau of internal revenue. The case involved the estate of Cecile Le Gierse.

Stuart A. Monroe, legal department Equitable Society, called attention to this case in addressing the League of Insurance Women. He also mentioned the Bailey case, and touched on the memorandum of the bureau of internal revenue general counsel to the effect that the "profit" in an endowment need not be included in taxable income when the policy matures provided an income option is previously elected.

#### Long Source of Dispute

The combination contracts mentioned by Mr. Monroe have long been a source of controversy between taxpayers and the internal revenue bureau. The bureau has consistently held them not to

be insurance and not entitled to come under the \$40,000 insurance exemption. When the board of tax appeals held otherwise, the bureau appealed to the federal court.

The combination contracts are sometimes known as "110" or "106" contracts because they are written for a total consideration of 6, 10, or some other percentage more than the face amount of the single premium life contract. A "106" contract, for example based on a \$100,000 single premium life contract would cost \$106,000. The difference between the single premium for \$100,000 and the total consideration of \$106,000 would be applied to the purchase of a single premium annuity. This is done to cover the company's acquisition cost in the event of the buyer's premature death, since the contracts are issued without medical examination. The non-medical angle is quite appealing to many older, wealthy buyers, many of whom could not pass a medical examination. It was the non medical feature on which the internal revenue bureau based its contention that the contracts should not be regarded as insurance.

Discussing the memorandum on the income tax status of matured endowments, Mr. Monroe said that payment of income under the selected option is on the same basis as an annuity—an amount equivalent to 3 percent of the amount applied toward the installment settlements (face amount of the contract, plus dividend accumulations, if any) must be included in taxable income, anything above 3 percent per year is exempt until the total of these exempt portions equals the total amount applied toward the installment settlements.



AS FAITHFUL AS "OLD FAITHFUL"

## Life Insurance is a Competitive Business

During the next 20 years we can assume three things about life insurance selling:

- (1) It will be undoubtedly, even more competitive than it is today.
- (2) Increased competition is certain to focus more attention upon the real strength of individual companies.
- (3) In such a situation a company like the Mutual Trust Life, with its unusually low mortality rates, its ultra-conservative financial structure, its high yield on assets and its low-net-cost is in an enviable position to show a healthy yet rapid growth.

The Mutual Trust Life operates, today, in eighteen states including those with the most up-to-date laws for the protection of policyholders. There is plenty room for the company and its agents to grow... and both are growing.

## MUTUAL TRUST LIFE INSURANCE COMPANY

135 S. LaSalle St.  
CHICAGO

One of 24 purely mutual, net level premium, 3% reserve companies in the United States.

## Harrison to Head New York Life

(CONTINUED FROM PAGE 1)

during the trying days of the depression. He smokes a pipe constantly. He talks freely with reporters but likes to lecture them on the folly of writing stories which he believes silly or which may have repercussions in Washington.

Mr. Harrison received his liberal arts degree from Yale in 1910 and his law degree from Harvard in 1913. For some years it was the custom of the late Oliver Wendell Holmes, chief justice of the United States, to select the outstanding member of the graduating class of the Harvard law school to act as his legal secretary for the ensuing year. Mr. Harrison won that distinction for the year 1913-4. A bachelor until recently, Mr. Harrison a few weeks ago married Mrs. Cary T. Grayson, widow of the former head of the American Red Cross.

### Have Same Background

The New York Life setup gives the company two top executives with Federal Reserve background, for Mr. Aiken was one of the organizers of the Federal Reserve System. Mr. Aiken's earlier connection, however, was with New York Life, which he joined in 1894, three years after graduation from Yale. His first post was assistant manager of the New England department. Five years later he went into the banking business in Boston but in 1917 resumed his connection with New York Life as a director. He resigned as director when he became an official in 1924 and in 1925 was made second vice-president. He became vice-president in 1931. One of his principal jobs was acting as vice-chairman of the building committee when the company put up its new home office building.

During his banking phase, Mr. Aiken was successively assistant cashier State National Bank of Boston; president Worcester County (Mass.) Institution for Savings; president Worcester National Bank; governor Federal Reserve Bank of Boston when the system was organized in 1914; president and later chairman of National Shawmut Bank of Boston, from which he resigned to rejoin New York Life. He was also a member of the federal advisory council of the Federal Reserve Board. While in Worcester Mr. Aiken was offered the position of assistant treasury secretary but declined for business reasons.

### BUCKNER 60-YEAR MAN

NEW YORK—Thomas A. Buckner, chairman New York Life, celebrated his 60th anniversary with the company on Sunday. He started at 15 as office boy in the Milwaukee office, April 7, 1880, and his entire business career has been with the New York Life. He has served it for a longer period than any other employee now on the rolls.

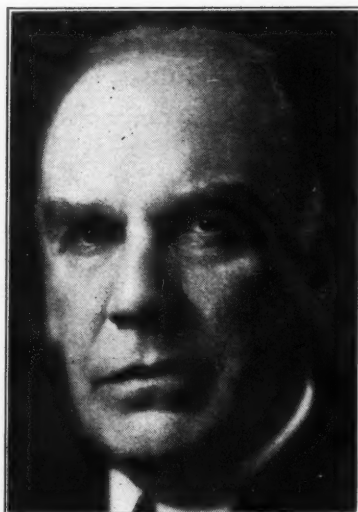
The past year brought an unusual combination of anniversaries for Mr. Buckner. June 4, 1939, he and his wife celebrated their golden wedding anniversary. Jan. 18, he observed his 75th birthday. His 60th anniversary with New York Life occurred only five days before the company's 95th anniversary.

### Present Testimonial Book

Home office employees presented Mr. Buckner a 60th anniversary testimonial book containing signatures of the 5,000 men and women employees at the home office, in the form of an "endowment" policy. In his many years of unremitting labor, wise guidance and faithful devotion to the best interests of New York Life were recognized in this document. Mr. Buckner also was presented a floral tribute.

Throughout his career he has been closely identified with the agency organization, and was vice-president in full charge of the agency force 1903-

## Given New Titles by N. Y. Life



ALFRED L. AIKEN

When George L. Harrison, whose election as president of the New York Life has just been announced, assumes that post, President Alfred L. Aiken will



THOMAS A. BUCKNER

become chairman of the board and T. A. Buckner, present board chairman, will be named chairman of the finance committee.

1931. Agents and agency men are honoring Mr. Buckner by preparing a "Memory Book" of at least 17 volumes and 140 chapters, each of the 8,000 agents having a page for a personal message.

### Many Contributions to Business

Mr. Buckner is credited with a number of significant contributions to the development of the life insurance business in America. He was instrumental in reorganizing the agency organization into a system of branch offices. In 1896 he introduced "Nylie" for agents. He started the first "sales clubs" for leading agents more than 44 years ago.

Mr. Buckner was elected president March 11, 1931, and chairman, Dec. 9, 1936.

## Compensation of Agent Issue Is Pondered in Atlanta

(CONTINUED FROM PAGE 1)

000,000. The business wants to be sure, he declared, that this money is not being paid out in unproductive places. He said he believes that the \$300,000,000 can do more if it is better distributed. The question of agents' compensation, he pointed out, comes at a time when insurance costs are increasing because of the interest yield situation over which the companies have no control.

If the commission paid at first should be lower, Mr. Linton observed, it might tend to get the poor man out of the business earlier and be more advantageous for the good man.

Mr. Linton said that he had hoped that the commissioned life insurance agent could be brought under the old age portion of the social security act, but it is difficult to phrase a provision that would have that effect without also bringing under the act real estate men, fire and casualty insurance agents and others. Those other groups, he declared, got up in arms against the proposed amendment that would have made the act applicable to life insurance agents and caused its defeat. It is complicated to deal with an independent contractor, he said. In one respect an agent wants to be an independent contractor and in another he wants to be classed as an employee.

Mr. Linton took the occasion to say

that many leaders in Washington including one, whom he declined to identify, except to say that his influence is tremendous, favor replacing the present social security setup with some form of Townsendism with level taxation. If that change should ever take place, he declared, it would open the door for politicians to "make all sorts of promises and that would wreck us."

Holgar Johnson, president of the Institute of Life Insurance, asserted that the business must approach the problem of agents' compensation by trying to see whether it can arrive at a better distribution of commissions with the result that there is no increase in costs. If an increase can be justified, perhaps that would be acceptable, he said, but the first objective should be to get a more effective distribution at the present cost. The thinking should be started in that direction rather than on the basis: "We are not getting enough now."

Mr. Colborn said he liked Mr. Johnson's statement. He said that he can see no reason for anticipating an increase in cost, but that he does object to laying down law on the subject at this stage.

### Riehle Makes Suggestion

T. M. Riehle, Equitable Society, New York, voiced the opinion that a change in the compensation system in itself might not bring results; that the committee should seek to include treatment of some of the psychological factors that would help agents to become business men and force them to use a larger percentage of their capabilities.

C. J. Zimmerman, national president, referred to the considerations involved in a change that would take away renewal commissions from those that have departed from the business. The theory is advanced that compensation should not be paid for service that is not rendered, and that the renewal be made a true service commission. He said it is estimated that the companies pay from 25 to 40 percent of their renewal commissions to persons who are not in the business.

If the premise is accepted that renewals should be paid only to agents who remain in the business with their original companies, then, he observed, it will deprive the agent of much independence of decision and action. He will not be free to change his connection in the business without forfeiting his service commissions. He said he doubted whether the agents would be pleased to

sacrifice their independence to that extent.

Mr. Zimmerman referred to the possibility of paying a small vested commission plus a service commission so long as the premium is paid.

Mr. Zimmerman recalled that the National association had never taken an official position in relation to social security. He said he wondered what the opinion of the association would be as between having agents come under the social security setup and a contributory pension plan provided by the companies. He asked for a show of hands and not one in the audience indicated that he favored social security act benefits for the agent.

Mr. Linton at that point asked the group to consider who would build the accrued liability. That, he said, is the essence of the question as it pertains to men in the business over age 40 or 50. Under social security the government builds up the accrued liability.

Tom Collins of New Orleans said Equitable Society recently gave to the field a sales program for correlating social security benefits with life insurance. That plan was so attractive, he said, that many Equitable agents, who had previously thought they did not want to come under social security, came to the conclusion that they would like to be covered. Mr. Collins advocated that the business "fight as hard as it can" to bring the agents under social security.

### Rench Sees Inconsistency

Fred Rench, National Life, St. Louis, inquired whether it is consistent for insurance men to advocate government social security for themselves when they are the foremost exponents of social security through the voluntary route.

H. G. Wischmeyer, John Hancock, Cleveland, declared that at all times the business should remember the possibility that the social security setup may be changed. A neat program worked out in correlation with the present benefits may become inappropriate if the law should be changed.

E. T. Proctor, Northwestern Mutual, Nashville, strongly advocated that insurance men foster the old fashioned idea of security rather than approving a "socialistic scheme."

There was another show of hands to determine whether the discussion had caused a change of opinion in the group on the idea of bringing agents under social security. The question was apparently not fully understood and the result of the vote was uncertain, but seemingly Mr. Linton's statement about accrued liability had caused quite a number to change their minds.

### Resolution Is Adopted

Following the discussion a resolution that had been prepared by the trustees was adopted. The preamble states that in recent years there have been specific changes in economic status and social philosophy requiring a greater knowledge and new type of service by the agent. The resolution commends the Research Bureau for appointing a committee on agents' compensation on which representation has been given to the National association. The memorial urges the committee to "pursue this study vigorously to a conclusion, as rapidly as the complexity of the problem will permit." The resolution in conclusion asks that particular attention be paid to the desirability of a pension plan for all field representatives.

### Boost Membership Campaign

The April meeting of the Wichita General Agents & Managers Association was devoted to boosting the membership campaigns of the Wichita and Kansas Associations of Life Underwriters and stimulating attendance at the sales congress in Wichita. Reports on the recent organization of the Wichita Cashiers Club were heard. Plans were discussed for assisting in organization of a General Agents Association at Dodge City.



## INDUSTRIAL FIELD NEWS

### Nashville Company Men Make Nationwide Tour

National Life & Accident officials are in the midst of the annual series of territorial managers meetings. The three-day western territory meeting with G. C. Lynch, western manager, and 25 district managers, was followed by the southern meeting with Manager Charles Luker and his district managers. The north-west and Pacific meeting with M. T. Webb, manager, western territory, and W. B. Gawronski, Pacific, preceded the meeting for the north and east territories, which is scheduled for April 15, 16, and 17. Fred Koehler and J. H. Brakebill are managers of these respective territories.

National Life officials addressing each of these group meetings were C. A. Craig, chairman; E. B. Stevenson, vice-president; E. W. Craig, vice-president; C. R. Clements Jr., agency secretary; J. E. Wills, vice-president, and R. E. Fort, Jr., assistant manager ordinary department.

At the dinner for the south territory prizes were presented to H. D. Vernor, manager, Rome, Ga., as field leader in the industrial department, and to A. D. Welborn, Florence, Ala., as field leader in the combined record for 1939. Fifteen year service pins were awarded to J. L. Daniel, Jackson, Miss., and E. J. Cambron, Meridian, Miss. At the dinner for the western territory, W. H. Julian, Dallas, who retired as manager of the western territory on January 1, was presented with a book of remembrance and with a complete movie outfit, the latter a gift of former associates. G. C. Lynch, who succeeded Mr. Julian, was presented with a watch by his former associates in the south territory. A 15-year service pin was presented to R. H. Winfield, Houston.

Powell Stamper, sales promotion manager, states that practically all districts are reporting with good records for the first quarter of 1940.

### Legal Forum Feature for Jacksonville Meeting

A legal forum with prominent insurance attorneys leading the round-table discussions on important subjects, will be an outstanding feature of the annual convention of the Industrial Insurers Conference at Jacksonville, Fla., May 15-17. The forum will be held on May 16. P. M. Estes, chairman of the conference committee on laws and general counsel of Life & Casualty, will preside.

The program, as prepared by Chairman Estes, will present the following topics and leaders: "Burial Associations," F. E. Spain, general counsel Liberty National Life, Birmingham; "Effect of Delay in Making a Contract," J. F. Finlay, general counsel Interstate Life & Accident; "Claims-Agents Bonds," W. C. Turpin, general counsel Bankers Life & Health; "Wage Tax," Chairman Estes.

C. G. Taylor, Jr., second vice-president Metropolitan Life, will speak at the banquet the evening of May 16.

### New Madison Union Chapter

MADISON, WIS. — Lorell Cole is president of a newly organized Madison chapter of the International Union of Life Insurance Agents. Principal speaker at the organization meeting was Prof. N. P. Feinsinger of the University of Wisconsin law school.

W. F. Foy has been appointed superintendent of the London Life's industrial branch in Kirkland Lake. He has served as superintendent in Toronto and Timmins.

### Cold in South Caused Negro Claims to Soar

ATLANTA — Companies writing Negro business in the south had a severe morbidity and mortality experience during the siege of cold weather that gripped the south earlier this year. There were hundreds of deaths due to pneumonia and other ailments attributable to the cold weather and the sickness claims mounted to exceptional proportions. One company paid death claims on account of six policyholders who had frozen to death. With the return of favorable weather, the experience has leveled off again to normal proportions.

### Home Security N. C. Changes

C. B. Hobgood, manager Greensboro, N. C., district agency Home Security Life at Durham, was appointed agency supervisor in the western half of the state. He has been with the company 20 years. W. T. Rightsell, superintendent Greensboro agency for seven years, succeeds Mr. Hobgood as Greensboro manager. J. C. Wilford, who has been in charge of the High Point office, was promoted to manager of the Winston-Salem district, which heretofore has been a part of the Greensboro territory. R. L. Jones, superintendent at Greensboro, was promoted to manager of the High Point office.

Roger Durrett, for years with the American National of Galveston in the field and in branch offices, has been named assistant superintendent of the Fort Worth branch office.

Knights Life of Pittsburgh has opened a new district office in the Drake building, Easton, Pa., with Stephen Hammel as superintendent. He was formerly assistant superintendent at Allentown, Pa.

Charles Hiestand, superintendent Western & Southern, Middletown, O., has been made manager in Rockford, Ill.

### Wealth of Material in A. & H. Special

The 1940 Survey Edition of The Accident & Health Review, a NATIONAL UNDERWRITER publication, is now off the press. It contains a wealth of sales and background material of value to every agent writing accident and health business. Two special clinics cover "Selling to Meet Individual Needs," in which sales leaders from all sections of the country contributed their practical ideas and suggestions. Men who were selected for these clinics were recommended by their companies as being outstanding in the various topics which they covered.

A review on the hospitalization development to date provides much factual material in this ever growing field.

A special feature shows a digest of the 15 main provisions used in accident and health policies. A comprehensive survey of accident disability statistics is presented.

Plans for Accident & Health Week—April 22-27—are given with a suggested sales approach for the use of the "68" button. This approach was secured in a contest among leading agents.

Accident and health results for the year showing the premiums and claims paid by the leading companies present an interesting compilation. Accident and health premiums increased 20 percent in 1939, which shows the possibilities in this line.

Other articles cover persistency, agency management, programming the average man's income for disability, suggestions for entering application questions correctly.

Extra copies of the Survey Edition

can be secured from the Accident & Health Review, 175 West Jackson boulevard, Chicago, for 25 cents each.

### Shaw Leads Direct Mail Clinic at Philadelphia

H. D. Shaw, agency secretary and advertising and sales promotion man of Continental American Life, was leader of the direct mail meeting of the Keystone Group of the Life Advertisers Association at Philadelphia.

"To get results with a direct mail letter," he said, "define your purpose clearly before you write the letter, and when you use it, test the results. Don't ask an expert what he thinks of your letter. Let the readers decide it for you."

He said when his company recently conducted an agency survey to find out the field man's viewpoint of what sales promotion material they want, pave-the-way material was most popular; second, interview visual-aids. Least wanted was material to leave after the interview.

Mr. Shaw said tests on direct mail results surprisingly show that long letters, double-pagers, bring more replies than short letters, unorthodox as that may seem.

He felt that the opening sentence of a letter is the most important point, for

therein the writer has his opportunity to sell the reader the idea that the letter will be worth reading. The writing of the letter is based not on cleverness, but on a clear understanding of the viewpoint and problem of the reader.

He argued against the use of coupons, finding that the reader prefers to fill out a separate card.

### Great American Life Election

ST. LOUIS—The number of voting trustees of the General American Life is increased from three to seven. The new trustees are Tom K. Smith, L. Ray Carter and T. O. Moloney, all of St. Louis, and Hugh Stephens of Jefferson City. Other trustees are Walter Head, president, S. W. Souers, executive vice-president, and P. B. McHaney, a director, all of St. Louis.

Mr. Smith, who is president of the Boatmen's National Bank of St. Louis, and W. W. Smith, president of the First National Bank in St. Louis, were elected members of the board.

F. E. Agnew, Jr., assistant vice-president for the past four years, and J. G. Driscoll, assistant vice-president for three years were both elected vice-presidents.

Complete Social Security data in booklet for 50c. Order from National Underwriter.

FOR THE MAN  
WITH A GROWING  
FAMILY

For a man with a wife and young children no other life insurance plan is so attractive as the one which includes the **Family Income Benefit**.

It provides a guaranteed income which is greatest while the children are growing up and family expenses are the heaviest. Thereafter, when the youngsters begin to support themselves and the mother's expenses are reduced, she gets a lump sum in cash or an income which will take care of her for the rest of her life.

The Columbian National Life offers the **Family Income Benefit** as a Supplement to any of its permanent policies. Thus, for example, you may own a Retirement Income Plan **plus** Family Income at a cost very little more than that of Retirement Income alone.



**THE COLUMBIAN NATIONAL  
LIFE INSURANCE COMPANY**

HOME OFFICE  
BOSTON - MASSACHUSETTS

A NEW ENGLAND INSTITUTION

## EDITORIAL COMMENT

### National Leadership Very Essential

THOSE who appreciate the importance of the next few years to the life insurance business and particularly to its system of distribution cannot help but be encouraged at the caliber of the nominating committee which the National Association of Life Underwriters selected at its midyear meeting last week. There is every reason to believe that the committee, headed by N. Baxter Maddox, Connecticut Mutual general agent at Atlanta, will employ the most diligent research in drawing up a slate which will provide the National association with the best leadership that can be discovered. The next five years may be of crucial importance to the field forces of this country. Ability in every sense of the term should be the foremost consideration in every office to be filled. Every other aspect should be subordinated.

In recent years some have discerned a trend away from campaigning for of-

fice in the National association suggestive of political electioneering. No one would want such evidence of democratic processes of government entirely eliminated. But sometimes, in the zeal of campaigning for a favorite son, it is the best organized faction, rather than the best man, that wins. Faced with such high-powered opposition, men equipped to give valuable service to their association may decline to permit their names to be brought forward, knowing they would be beaten, not by lack of merit, but by reason of a better organized opposition.

The National association, the agency system and the entire institution of life insurance will benefit immeasurably if the nominating committee, free of pressure, however sincere, from adherents of this or that favorite son, can limit its final consideration of each candidate for each post to the question, "Is he the best man we can possibly get for the job?"

### Getting the Ear of Candidates

INSURANCE men have learned from experience that the time to impress candidates for public office is previous to the primary election. At that time those having ambitions are desirous of securing good will, friendship and votes. Therefore, when responsible insurance men go to the candidates and get them pledged to a certain program they have an immense leverage. Insurance people do not ask candidates to take any position that is contrary to public interest or that is unfair. Insurance as a business is only interested in seeing to it that partisanship and political considerations are reduced to a minimum in the appointment of state insurance commissioners and the conduct of that office, and they ask that enforcement of insurance laws of the state be made without prejudice.

In some states what might be called "political insurance" is usually diverted to certain channels whereby those that are in charge receive the benefit or the

returns go to the party exchequer. In Illinois committees from the Chicago Association of Insurance Agents aroused over existing conditions along this line appealed to all the candidates asking them to pledge themselves to use their utmost influence to have regular local agents handle the insurance business and not create artificial insurance reservoirs.

Far more influence can be brought to bear during the primary period than after candidates are nominated. It is true that even when the nominations are made the insurance men should not be laggards in their continuance of making an appeal. A primary pledge may be disregarded unless the successful candidates are reminded of its importance. Then after the final election it is highly desirable to continue to be in contact with the winning official in order that he may still appreciate the fact that he has given his word and that the insurance men intend to hold him responsible.

### Lesson from Industrial Companies

ONE of the interesting sidelights on the companies showing increase of ordinary insurance in force is the fact that the industrial writing companies are revealing a very substantial gain in ordinary. Some of these increases are phenomenal. The industrial companies are pressing for ordinary insurance and while they are still

urging agents to maintain their industrial debits, more enthusiasm is being created for the sale of ordinary insurance than usual.

The question arises as to just why these industrial companies should be making the records that are so noticeable. The only plausible answer is that they have a much

larger control over their agents. The agents are giving their entire time to soliciting and collecting. They are putting in ample hours of work. They are reporting to their superiors and their activities are to an extent regimented. It proves what a body of agents can do when they are supervised and the control of their time is in the hands of the companies.

Figures showing the ordinary insur-

ance written by industrial companies are being studied with great care, especially at this time when much thought is being given to agency practices and the desire to give agents writing ordinary insurance alone greater productive capacity. There may be a lesson for purely ordinary companies in the showing that has been made in this respect by the industrial insurers.

## PERSONAL SIDE OF THE BUSINESS

**W. F. Banta**, special agent Royal-Liverpool group at Roanoke, Va., and Miss Frances Tucker Henley, daughter of **R. E. Henley**, general counsel of the Life of Virginia, will be married April 20. Mr. Banta, who supervises southwest Virginia, is a son of the late George A. Banta, for many years Virginia state agent of the New York Underwriters.

**G. D. Finlayson**, Dominion of Canada superintendent of insurance, is being felicitated on having reached his 25th anniversary in that post.

**Albert D. Shaw**, financial secretary Massachusetts Mutual Life, is on a tour of midwestern states, visiting agencies, inspecting properties, and verifying securities on mortgage loans. His itinerary will carry him through Minnesota, Nebraska, Missouri and Iowa.

Miss Ruth Zinn, daughter of **A. A. Zinn**, vice-president State Life of Indianapolis, and **R. D. Eaglesfield, Jr.**, Indianapolis, will be married at the Zinn home April 13.

**Eleanor Hanson Clabaugh**, daughter of **C. C. Clabaugh**, general supervisor of agents of Maryland Life, was married the other day to **J. L. McCrea**, who is connected with the Consolidated Gas Company of Baltimore.

**G. V. Cleary**, Chicago general agent Reliance Life, Mrs. Cleary and their children, **G. V., Jr.**, Robert and Emily, are motoring in the east during the children's spring vacation and will spend some time in Washington before returning home.

**H. T. Dobbs**, president; **George Spring**, actuary, and two or three other officers of Industrial Life & Health of Atlanta, are enjoying some deep sea fishing in the waters off the western shore of Florida this week. They are making their headquarters at Everglades, Fla.

**Frank J. Viehmann**, who succeeds the late **G. H. Newbauer** as Indiana insurance commissioner, is now delving into the mysteries of his office and becoming oriented. He has been in insurance all his life as he started his career as an office boy with the old German Fire of Indianapolis. He remained with that company until it was sold in 1912. He then went with the Fletcher Trust Company of Indianapolis, a position he held until the Lorenz Schmidt & Sons agency was formed, June 1, 1917. He was connected with that office when he entered the United States army during the world war, serving in the quartermaster corps.

After peace was declared Mr. Viehmann returned to the Schmidt agency and remained there until he formed his

own agency, the **F. J. Viehmann Company**, in 1927. It does both an insurance and real estate business. He bought the Schmidt agency and merged it with his own. He has been active in the Indianapolis Real Estate Board, serving as chairman of its real estate appraisal committee for three years, was treasurer for one year and director for three years. He was fee appraiser for the HOLC. Mr. Viehmann's daughter, **Mary Jane**, is a freshman at Butler University, and a son, **Frank J., Jr.**, is a freshman at Cathedral high school.

**J. H. Torrance**, vice-president Business Men's Assurance, and Mrs. Torrance returned to Kansas City after spending a two weeks' vacation in Mineral Wells, Tex.

**J. E. Owens**, assistant superintendent of Indianapolis district No. 2 of the Prudential, has received a diamond locket in recognition of his completion of 25 years of service. He has represented the company in Muncie, Marion and Indianapolis.

**A. A. Loeb** of Stumes & Loeb, Chicago general agents Penn Mutual, has returned from a Caribbean cruise on the Nieuw Amsterdam in company with **D. F. Rosenthal**, of Mayer, Meyer, Austrian & Platt, Chicago legal firm. They visited St. Thomas, Virgin Islands, Venezuela and Valencia. On the voyage they passed close to the "Queen Mary," bound outward on her mysterious trip without passengers.

**A. A. Drew**, former general agent Mutual Benefit Life, Chicago, is in Huntington hospital, Pasadena, recovering from an illness, and expects soon with Mrs. Drew to go to his summer home at Belgrade, Me., which now is his permanent address. Mr. Drew is 73.

**Albert H. Curtis**, Boston general agent New England Mutual Life, was given a testimonial luncheon at the Boston Chamber of Commerce in recognition of his 74th birthday. Mr. Curtis has been in the life insurance business 55 years and general agent of the New England Mutual Life for nearly 40 years.

**W. Reginald Baker**, Newark agent of the Mutual Life of New York, will celebrate his 51st anniversary April 23. Mr. Baker entered the home office as an office boy. After 23 years in the home office he went to the Newark branch. He has qualified twice for the Million Dollar Round Table and has been a member of the National Field Club for 20 consecutive years. He is a past president of the Life Underwriters Association of North-east New Jersey.

President **T. A. Phillips** of the Minnesota Mutual Life is spending 10 days at

## THE NATIONAL UNDERWRITER



Published by THE NATIONAL UNDERWRITER CO., Chicago, Cincinnati, New York. PUBLICATION OFFICE, 175 W. Jackson Blvd., CHICAGO. Telephone Wabash 2704

EDITORIAL DEPT.: C. M. Cartwright, Managing Editor. Levering Cartwright, Assistant Managing Editor. News Editors: F. A. Post, C. D. Spencer. Associate Editors: D. R. Schilling, J. C. O'Connor.

BUSINESS DEPT.: John F. Wohlgenuth, President and Secretary. Roeding, O. E. Schwartz.

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NEW YORK OFFICE—123 William St., Tel. Beekman 3-3955. Editorial Dept.—G. A. Watson and R. B. Mitchell, Associate Editors. Business Dept.—N. V. Paul, Vice-Pres.; J. T. Curtin and E. H. Fredrikson, Resident Managers.

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Subscription Price \$3.00 a year in United States and Canada. Single Copies, 15 cents. In Combination with The National Underwriter Fire and Casualty, \$5.50 a year. Entered as Second-class Matter June 9, 1900, at Post Office at Chicago, Ill., Under Act, March 3, 1879.



Hot Springs, Ark. He has practically recovered from the illness which kept him at his home three weeks during the late winter.

**Richard Boissard**, vice-president of National Guardian Life of Madison, and Mrs. Boissard have returned from a short vacation at Sun Valley, Idaho.

## DEATHS

**R. L. Patterson**, 53, professor of insurance, who had been conducting the insurance extension course in the University of California, died last week from a heart attack at his home in Los Angeles. He was appointed head of the inspection division of the bureau of licenses of the state insurance department when it was organized last fall.

**Abraham Bretz**, for 40 years with the London Life, 1887-1927, died at his home in Toronto in his 90th year.

**Thomas L. Fansler**, for 60 years with the Northwestern Mutual Life, died in Philadelphia, where he had been located for 30 years. More recently he had been

a special agent, having retired as general agent from the Fansler & Hoffman agency. Before going to Philadelphia he had worked in Chicago as special agent. He was president of the Chicago Life Underwriters Association in 1909. He entered the insurance business from the teaching profession in southern Illinois. He was the oldest living ex-president of the Chicago association.

**Clinton G. Halsey**, 75, formerly assistant secretary of Mutual Benefit Life, died in Newark. He retired in 1931.

He had been with the company 48 years. He became head of the accounts department in 1906 and assistant secretary in 1912.

**Thomas Wood**, 77, who retired several years ago as manager at Rochester, N. Y., for Metropolitan Life, died at his home. A native of England, he came to this country with his parents at the age of 10.

Funeral services were held in Columbia, Mo., for **Ralph G. Lehnen**, 51, general agent General American Life. He had been with the company 24 years, starting as a supervisor in St. Louis.

and beneficiaries on the part of the agency force. Personal glimpses of the Provident, past and present, will be given by J. H. Cowles, general agent at Los Angeles; F. C. Morss, manager of agencies; and L. F. Paret, general agent at Philadelphia. The closing speech will be the message from President Linton.

## Sales School Is Held in Boston; First of Series

A high degree of agent participation and a carefully organized program were features of a three-day sales clinic held in Boston by Continental American Life. All members of the Boston agency attended and took part as if they were attending university classes. They had been given assignments in advance and their class contributions included both actual and theoretical cases.

Home office officials attending were W. M. Rothaermel, vice-president; G. H. Amerman, associate actuary, and R. E. Halstead, supervisor of agencies.

G. M. Doherty, Boston general agent, national leader last year on paid production, and his assistants, J. E. Fitzmaurice, supervisor, and I. G. McKenna, unit manager, were hosts and took part in discussions.

The Boston sales clinic is the first of

a series which will be conducted for Continental American field men throughout the territory in which the company operates. Another meeting will be in Rochester for agencies in Rochester and other New York and Pennsylvania cities.

The Boston school met three mornings for three hours each. The work was divided into periods of instruction, questions and answers, and sales ideas presented by agents. Social security, simple programming and special company features were among the subjects.

## Sales Meeting Held in Dallas

The first of a series of sales meetings scheduled by Business Men's Assurance was held at Dallas. A. W. Hogue, manager for Texas, presided. The two-day event was attended by 110 salesmen from Texas, Oklahoma and Arkansas, together with executives from the home office including W. T. Grant, president, J. H. Torrance and J. C. Higdon, vice-presidents, W. F. Galloway, underwriting department, and J. W. Sayler, sales promotion department, were also in attendance.

J. B. Johnson, manager for Oklahoma, and A. J. Johnson, Arkansas manager, appeared on the program which featured local branch office activities and future company plans in the development of

## LIFE SALES MEETINGS

### Bankers Life Men Attend Dedication

DES MOINES—Impressive ceremonies dedicating the \$1,500,000 Bankers Life's new home office building will be held this weekend with agents, managers and supervisors from 33 states attending.

At the business sessions talks will be made by A. R. Roberts, actuarial department; E. G. Bryant, Spokane, Wash., R. H. Cherry, San Antonio, Tex., manager; W. W. Jaeger, vice-president, and W. F. Winterble, director of agencies. President Gerard S. Nollen will speak on "Yesterday, Today and Tomorrow."

Names of agents who wrote \$100,000 in insurance last year will be inscribed on a bronze plate to be placed in one of the lobbies.

Agents who qualified for the "108 and 8 club" by writing in one month last year the same number of policies the founder of the company wrote in his first year of business, will be honored at dinner Friday night.

The 1939 Penthouse Builders consisting of men who qualified in a sales contest during June, July and August last year, will be honored at a reception in the directors room of the new building.

### National Reserve Leaders Gather

The National Reserve Life of Topeka, Kan., held a two-day convention for state and general agents from Nebraska, Oklahoma and Kansas. The ten leading producers in these states were honored at the conclusion of their special March sales drive. C. L. Estes, Oklahoma City, state agent and Rudy Gibbs, general agent Kearney, Neb., were the two leading producers.

The March contest produced the largest amount of business written in one single month in the past two years with the single exception of December, 1939.

Home office speakers include Holmes Meade, president; T. A. Lonam, agency director; I. G. Hayter, secretary-treasurer; Dr. H. B. Talbot, medical director, and W. A. Biby.

### Federal Life Meeting

The Federal Life of Chicago will have a regional meeting for central west managers and agents at the Chicago Towers building in its home city, April 15. Vice-president George Barnmore will be in charge. Chairman Isaac Miller Hamilton is spending a number of weeks in Florida and may decide to fly to Chicago especially for the meeting and then return to Florida.

### Provident Mutual's First 1940 Muster

PHILADELPHIA.—Provident Mutual will hold the first of its 1940 regional conventions next week at the Hotel Del Monte in California, where the western agencies will gather to discuss sales plans for the year and to celebrate the diamond anniversary. The opening meeting will be a banquet April 15, with Manager of Agencies F. C. Morss as toastmaster. Speakers will be Vice-president W. K. Wise and President M. A. Linton.

Sessions have been arranged to provide a maximum of practical discussion of sales technique and strategy. At the Tuesday meeting, G. N. Quigley, general agent for Colorado, will speak on "What We Have to Sell." C. W. Fender, San Francisco, will discuss practical sales points, and C. M. Beery, Denver, will survey the sales possibilities in social security. H. W. Andrews, star producer from Tacoma, will cover business insurance. D. F. Clark, general agent at Portland, will outline his simple programming methods. The final address will be that of Agency Assistant E. M. Bechtel, who will deal with the importance of correct fundamental principles as distinguished from mere methods, in the sales process. D. A. Hampton, general agent at San Francisco, will be in charge of the Tuesday sessions.

### Will Feature Younger Men

On Wednesday, much of the meeting will be given over to the younger men. L. P. Hendricks, supervisor at Los Angeles, will present a paper on "Things the Newer Agent Should Know." Prospecting will be discussed by W. T. Baldwin of Los Angeles and J. P. Wolgemuth of Seattle. Editor of Publications C. S. Davis will talk on the company's advertising program, and Agency Assistant E. A. Farrington will bring the meeting to a close. William Peterson, general agent at Seattle, will preside.

Wednesday evening N. H. Bell of the San Francisco agency, renowned traveler and lecturer as well as life insurance man, will show his picture "Adventures in Egypt and the Holy Land."

The final day's sessions will be devoted largely to an observance of the anniversary. With Alfred Matthews, former general agent at San Francisco, in the chair, Vice-president Wise will make the opening address, to be followed by Advertising Manager N. A. White, who will present the significance of 75 years of service to policyholders



## OVER 350 FIRMS

Have adopted the Minnesota Mutual Pay-Roll-Deduction-Family-Policy plan for building employee good will. It involves no cash outlay, practically no expense. Employees may choose any policy arrangement including our new Family Policy, with convenient, automatic monthly payments through payroll deductions and important savings in rate.

### We offer our Field Force:

1. A liberal agency contract.
2. A plan for financing your agency.
3. Accounting methods to guide you.
4. Proven plans for finding—training agents.
5. A liberal financing plan for your agents.
6. A unique supervisory system.
7. Organized Selling Plan.
8. Unusually effective selling equipment.
9. Policies for every purpose: Regular—Family—Juvenile—Women—Group—Payroll Savings, etc.
10. Low monthly premiums.

A \$230,000,000.00 Mutual Company, 60 years old with an understanding, cooperative Home Office.

## THE MINNESOTA MUTUAL LIFE INSURANCE COMPANY

Saint Paul, Minnesota

new selling plans for presenting the company's complete line of policies to the public.

#### Metropolitan Meet in Chattanooga

CHATTANOOGA—More than 100 officials and fieldmen of the Metropolitan Life from Tennessee and Alabama attended a sales congress here. William Hobson of the home office was the principal speaker. Others on the program included P. C. Simpson, Nashville; Sam Berke, Birmingham and R. A. Bell, Chattanooga. George Johnson, Chattanooga manager, and C. E. Creagh, manager Chickamauga district, were in charge.

#### District Meeting at San Antonio

The Texas Prudential of Galveston held a district agency meeting at San Antonio, with a luncheon and round table discussion led by President S. E. Kempner and Executive Vice-president H. Gale Rogers, who reviewed the progress of the company.

#### Wise Speaks in Des Moines

Willard K. Wise, vice-president in charge of agencies of the Provident Mutual Life, addressed a meeting of Iowa agents in Des Moines on the importance of the American life insurance agent and the American agency system. A. H. Pickford, general agent there, was in charge.

#### Pick White Sulphur for '41

The Ohio State Life will hold its 1941 agency meeting at White Sulphur Springs, W. Va. Alfred Guay of Los Angeles general agent, is president of the President's Club and P. J. Kiefer, Chicago general agent, president of the Honor Club.

#### State Agents Meet in Detroit

Bankers Mutual Life held an agency meeting in Detroit for the state of Michigan with L. H. Engstrom, state manager for Michigan, in charge. J. C. Peasley, president; M. V. Peasley, vice-president, and George French, actuary, represented the home office.

#### Agency Holds Annual Meeting

The Springfield, Ill., agency of Mutual Life of New York, under the management of John L. Taylor, held its annual meeting which was attended by 25 men from the various cities in the field who participated in round table discussions of Mutual Life affairs. Will Taylor was the guest speaker. The meeting also honored R. A. Guest and J. W. Patton of Springfield, and J. J.

Norton of Bloomington, who will represent the Springfield agency at the annual convention of the National Field Club, in Quebec, May 23-24. They qualified for membership in this club by their outstanding production the past year.

C. D. Aldrich, district agent Bankers Life of Iowa, was chairman of an agency meeting at Green Bay, Wis. E. H. Manning, agency manager at Appleton, Wis.,

and leading producer in the territory, spoke.

H. E. Whiteley of the agency department of the Central Life of Des Moines, was guest speaker at a meeting and dinner of the C. C. Tucker general agency in Wausau, Wis.

E. P. Oertel, Chicago, assistant vice-president Great Northern Life, conducted a meeting for the central Wisconsin agency in Wausau attended by about 30 agents.

## NEWS OF THE COMPANIES

### Franklin Life Goes Well Ahead in First Quarter

Ledger assets of Franklin Life increased during the first quarter of this year by \$468,356 or 28.6 percent over the same period of last year.

President C. E. Becker in a letter to the field, stated that the trend during the first quarter was most favorable. It is the first quarter under the new management. The policyholders and beneficiaries, he said, left cash funds on deposit with the company to the extent of 239 per cent more than during the same period of last year. There were substantial repayments of policy loans and that item decreased by more than \$75,000. The ratio of policy loans to reserves is now about 18 percent. New issued business since Jan. 1 amounted to \$5,199,961. Eight of the 10 leading agencies made gains during the period.

The remodeling and redecorating program of the home office building in Springfield, Ill. is nearing completion and the doors will be thrown open to the public April 15 and the ceremony presided over by Insurance Director Palmer of Illinois and Mayor Kapp of Springfield. Hundreds of visitors are expected to inspect the offices during the week. Assets now exceed \$40,000,000.

### Evans to Handle Three States

J. Dwight Evans has been named sales director for Nebraska, Missouri and Iowa by the LaFayette Life. He was formerly with the Union Central and the Mutual Trust Life. He will be located at 502 Federal Securities building, Lincoln, Neb.

The Consolidated Life of Dallas, a mutual assessment company, has been placed in receivership by order of District Judge Yarborough upon petition of the attorney-general. W. G. Knox, statutory liquidator for the insurance board, was appointed receiver.

### North American L. & C. Shows Operations of Year

An increase in 1939 of 19 percent in assets and 25 percent in premium income is announced in the annual report of the North American Life & Casualty of Minneapolis. According to H. P. Skoglund, president, an increasing portion of the growth in premium income is directly attributable to the renewed interest throughout the northwest in accident and health insurance protection, with especial emphasis being placed by the general public on the various types of hospitalization insurance and juvenile life insurance.

A mortality experience of 20 percent for the year is shown. Assets exceed liabilities at a ratio of five to four. The yield on invested assets was 4.7 percent. The company reports no bonds owned were in default either as to principal or interest.

The company operates in four mid-western states: Minnesota, North and South Dakota and Wisconsin. Its assets are \$881,816, capital \$141,856, net surplus \$33,287.

### American United Life Shows Working Forces

The American United Life of Indianapolis, in issuing its annual statement, adopted a style that was different from others in that it attempted to show that the head office was a hard working institution. It presents pictures of the home office in operation such as the premium division, new policy department, mail room, underwriting office, medical department, actuarial office, addressograph machine, agency division, reinsurance department, investment section, supply room, printing department, etc. Attention is called to the fact that in every head office there are several departments that never come to the at-

tention of the public, yet each is vital to the efficient operation of the other departments. Therefore, the American United Life gave its policyholders a glimpse behind the scenes with these "forgotten workers." It attempts to present the home office as a bee hive of industry.

### Five-State Examination Commends Minn. Mutual

ST. PAUL—Examiners from five states who have been examining the Minnesota Mutual Life filed their report, stating they found the company to be "in a sound financial condition."

"We are satisfied the assets have been conservatively valued and that the liabilities are properly calculated," the report says. "Our review of the company's operations indicates that the business is efficiently handled and that equitable treatment is accorded all policyholders."

Other comments made by the examiners included:

"The reserve bases used by the company are usual and proper. The average rate of interest required on the life reserves is 3.4 percent. The company has earned well in excess of this rate during each of the years covered by this examination."

"The general attitude of this company has been a conservative one with reference to its real estate holdings and the book value of many parcels has been written down due to the changing value or where taxes have purposely been allowed to become delinquent."

The examination was made as of Dec. 31, 1939. The states participating were Minnesota, South Carolina, Missouri, Montana and Texas.

Total admitted assets were found to be \$47,785,441 and surplus \$2,718,303.

### Viehmnn Takes Action Against Indiana Concerns

INDIANAPOLIS — Commissioner Viehmnn has ordered three companies selling life insurance to cease business and refund money collected from policyholders. They are the Bankers Life & Casualty of Indiana and the National Home, both of which Commissioner Viehmnn said are "non-existent," and the National Home Accident of Vincennes, Ind.

The order was directed against John Hancock, Rockville, president; John MacArthur, vice-president, and C. F. Brusnighan, secretary-treasurer, both of Chicago. Group policies were sold to families, usually of foreign nationality, for approximately \$1.50 a month, according to Commissioner Viehmnn, and approximately 500 such policies had been sold when the operations of the Bankers Life & Casualty were discovered. Officers of the company were called into the commissioner's office and instructed to cease business and refund money. To this they agreed, Mr. Viehmnn said, and he was sent a copy of the letter purported to be of the kind sent to policyholders advising that money paid on policies would be refunded.

Later, it was learned, according to the commissioner, that the officers had purchased the National Home Accident, a bona fide company of Vincennes, headquarters of which were removed to East Chicago. Policyholders were notified that as result of a merger the business was being transferred to the National Home, the word "Accident" having been dropped from the title without legal sanction. The case has been turned over to Attorney-General Jackson for legal action who reported that the companies are allowed 30 days, under the insurance law, in which to make refunds and cancel policies.

Mr. MacArthur and Mr. Brusnighan are officers of the Bankers Life & Casualty of Illinois, for which they attempted recently to get license in Indiana which was denied for lack of sufficient reserve. The charter of an Indiana com-

# LIFE REINSURANCE—

## STANDARD AND SUBSTANDARD

### North American Reassurance Company

Lawrence M. Cathles, Pres.

99 John Street, New York



pany that had gone out of business was bought and the name was changed to the Bankers Life & Casualty. The National Home Accident of Vincennes was organized in 1934 to write accident insurance only by Andy Rooney, Lawrenceville, Ill., who disposed of his interest to Mr. MacArthur in 1938.

#### Celebrates Anniversary

The accident and health department of the California-Western States Life celebrated its third anniversary with a birthday party in the home office at Sacramento, with all home office employees attending. It started in 1937 and has quadrupled in size. E. W. Amos is superintendent.

## NEW YORK

#### MULTIPLE PLAN WORKS WELL

During the three months since Mutual Benefit installed a multiple agency system in New York City, the four new agencies have paid for \$3,707,790 of new insurance, a gain of 61 percent in paid-for over the first quarter of 1939. The new agencies wrote 435 separate lives, an increase of 102 over the production of the former single agency during the same period last year.

Last year the single New York City general agency ranked second among the company's agencies in production at the end of the first quarter. Of the new agencies the Arthur V. Youngman agency stood third at the end of the first three months of 1940, the Einstein-Salinger agency eleventh, the home office agency fifteenth and the Brooklyn agency eighteenth.

#### SAM P. DAVIS ON SELLING

Because he knows he can't possibly buy one, the average man will listen with less sales resistance to a salesman for Rolls Royces than he would to a shirt peddler who might sell him \$5 or \$10 worth of goods. This same principle can be applied to selling life insurance and Sam P. Davis, manager Phoenix Mutual Life in New York City explained to the McNamara agency of the Home Life, New York City, how he applies it.

The agent makes his approach as if selling a single premium policy. Naturally the amounts involved are so large that the prospect ordinarily feels only an academic interest. He is subtly flattered at all this talk in box-car figures, of course, and because he does not feel there is any pressure on him to buy he is quite likely to become sold on having the contract—if he only had the money.

After the prospect is thoroughly sold on the contract the agent shows him how it could be purchased on the installment plan, an annual premium policy instead of a single premium contract. Occasionally it is found that the prospect can swing the single premium and the sale is made on that basis although that is not the purpose of the single premium approach.

In addition to selling the prospect before he realizes he is being sold this approach has the advantage of telescoping the annual payment into a single sum, which can be more readily visualized. In this way the prospect is able to see more clearly what he is buying and how good a return he will get for his money.

#### MEEKER OPENS NEW OFFICE

L. H. Meeker has been appointed a general agent of the Equitable Society in New York City with office in its home office building. For a number of years he has been assistant agency manager and a personal producer.

Studying others enables you to learn their mistakes and at their expense.

## Utah Sales Meeting Is Held in Ogden

#### OFFICERS ELECTED

President—S. V. Prows, Metropolitan Life, Logan.  
First Vice-president—Karl K. Krogue, Business Men's Assurance, Salt Lake City.  
2nd Vice-president—C. L. Madsen, Equitable Society, Ogden.  
3rd Vice-president—Othello Hickman, Pacific National, Logan.  
4th Vice-president—A. M. Jacobs, Pacific National, Provo.  
Secretary-Treasurer—E. H. Meachman, United Benefit Life, Logan.

OGDEN, UTAH.—With slogans "On to Philadelphia in September," and "Salt Lake City in 1941" the annual meeting and sales congress, sponsored by the Utah Association of Life Underwriters, and aided by the local associations of Salt Lake, Ogden, Cache Valley and Central Utah, was held at the Ben Lomond Hotel here, attended by more than 250 agents and executives and office staffs of the two home life companies—Beneficial and Pacific National. The principal speaker was C. J. Zimmerman, Chicago, president of the National organization, assisted by Henry G. Mosler, Los Angeles, chairman Million Dollar Round Table; J. Rueben Clark, Jr., Salt Lake City, director Equitable Society, and vice-president Beneficial Life and S. B. Christenson, Salt Lake City, special representative, California-Western States Life.

Three sessions were held, morning, afternoon and evening, the latter being held at the Weber College auditorium and thrown open to the general public. It is estimated that close to 1,000 people attended. Speakers were Mr. Zimmerman and Mr. Clark, with Vice-President C. L. Madsen, presiding. Music was furnished by the college orchestra and Ogden male chorus.

#### H. G. Mosler Gave Address

The first session was presided over by Reed Gammel, president of the State Association. Following the invocation by Rev. J. E. Carver, and rendering of music by a group of Weber College girls, former President F. E. Walker introduced a number of special guests. The address of welcome was made by deputy commissioner, C. N. Otteson.

"Life Insurance as a Social Force" was the title of Mr. Mosler's talk. "Insurance," he said, "penetrates into every economic phase of life today, and it is to the advantage of all in the business to recognize it as such. Life insurance is one of the foundation stones of the American system, helping to preserve in turbulent modern times, the spirit of independence and self-security which has characterized American pioneers from the earliest days." Mr. Christenson, whose subject was "Visual Presentation," was the concluding speaker.

#### Guests Presented at Luncheon

The luncheon session was another outstanding feature of the congress, at which guests were presented among the number being members the famous Dean's Club. Vice-president K. K. Krogue presided at the afternoon session and introduced the only speaker, President Zimmerman, who was enthusiastically received. "After this kind of a reception," he said, "I hardly see how I could very well get out of endorsing Salt Lake City for the 1941 national convention."

"Government encroachment on the field of commercial insurance constitutes a direct threat to the whole structure of American democracy," he said, "and will be resisted to the utmost by a united front of insurance men. Government insurance cannot hope to offer better terms unless the additional cost is taken in taxes from the same people who are supposed to be saving money."

## MANAGERS

#### Ohio Group to Hear Cummings

CINCINNATI—H. J. Cummings, vice-president Minnesota Mutual, speaks on "How to Keep from Picking Failures," April 12, before the Associated Life General Agents & Managers.

#### Smith to Speak in Newark

NEWARK—Stuart F. Smith, Philadelphia manager Connecticut General Life, will speak at the dinner meeting of the Life Agency Supervisors Association of Northern New Jersey here April 16.

#### Columbus Managers Elect

The Life Managers & General Agents Association of Columbus, O., at its annual meeting elected J. H. McCullough, Union Central Life, as president, succeeding H. O. Tice, Midland Mutual Life. L. L. Lenz, Connecticut Mutual Life, becomes vice-president and Robert Sherer, Phoenix Mutual, secretary. New directors are S. S. Coffman, State Mutual Life; Robert Gygli, Penn Mutual Life, and Mr. Sherer.

The association approved unanimously

a proposal to hold a leaders recognition banquet early in 1941.

Members of the General Agents Association were guests at a meeting of the Columbus Life Agency Cashiers Association, when Superintendent Lloyd of Ohio spoke on "Branch Agency and Policyholder Service."

#### Holcombe in Pittsburgh

J. M. Holcombe, manager of the Sales Research Bureau, spoke on "Recent Developments in Agency Problems" at the April meeting of the Agencies Committee of Pittsburgh.

#### Amber Analyzes Competition

The supervisor must contend with three kinds of competition faced by the average life underwriter, H. L. Amber, vice-president and director of agencies of Berkshire Life, said at the meeting of the Pittsburgh Supervisors Club. The first of these is competition between companies, which actually is not between the companies but between personalities. Mr. Amber said. The second type of opposition comes from other types of merchandise, but the desire of the prospect to protect his family should take precedence over the urge to satisfy a desire for luxuries. The third and greatest obstacle to the agent is fear, which

## SPOTLIGHT ON THE FIELD MAN

THE GOVERNOR of the state was there. So were other dignitaries of state and city—and officials of the company. But the spotlight was on four members of the Field Force. They had won a company-wide contest and were having their day of well-earned glory.

We refer to the recent cornerstone ceremony at our new home office building in Wilmington. Gerald M. Doherty, our Boston General Agent, was chief figure at the ceremony and the luncheon which followed it. "Jerry" laid the cornerstone and was assisted by three other Continental American representatives: Murray April, New York, who had led in lives insured during the Cornerstone Campaign, and George J. Ainbinder and David Moskowitz, Newark, N. J., who had tied in premium leadership.

You will remember that field men also took the stage last fall at the ground breaking. We mention these matters because we think they are typical of our attitude toward the man in the field.

### Continental American Life Insurance Company

WILMINGTON, DELAWARE

W. M. ROTHARMEL, Vice-President

OPPORTUNITIES are now open in West Virginia, Virginia, Massachusetts, Connecticut, New York, New Jersey, Pennsylvania, and Ohio

can be overcome by facing fears boldly and overcoming them.

V. S. Mollenauer, president of the club, announced the appointment of A. F. Randolph, Penn Mutual, as program chairman for the balance of the year.

### Brown Speaks in Portland

PORTLAND, ORE.—R. R. Brown, vice-president and actuary Oregon Mutual Life, spoke before the Life Managers Association on "Dollars and Cents Value of Quality Business."

## POLICIES

### Additional Dividends of Metropolitan

The new dividend scale of Metropolitan Life, which carries a reduction of about 10 percent on most contracts, was presented in the issue last week for four policies, with reproductions of the pages for these forms taken from the 1940 edition of "Little Gem Life Charts." Dividends were shown for the whole life \$5,000 3 percent contract, whole life paid up at age 85, 20-payment life 3 percent and the family protection, but due to space limitations, the complete presentation of these forms could not be given. Herewith are reproductions of six additional pages from the "Little Gem," which complete the series of illustrations.

Page numbers will be noted at the top of the table. When these tabulations are taken in connection with the four tables reproduced last week and arranged in proper rotation by page numbers, the entire presentation will be found complete and in its proper sequence.

### Wisconsin National Life Removes Increase of '39

A general premium reduction by Wisconsin National Life became effective April 1. Two contracts, modified life and endowment at 85 have gone back to the rates that were in effect prior to the rate increase early in 1939. Other plans vary between the two levels. Premium rates per \$1,000, non-participating, at quinquennial ages are shown herewith:

Age	Endowment	Modi- fied	Age 85	20	End.	20
	Life	Cont.	Pay	Yr.	Age	Pay
10	11.10	12.53	20.04	42.98	14.50	22.22
15	11.10	13.71	21.68	43.20	16.04	23.95
20	12.10	15.20	23.63	43.43	18.03	26.19
25	13.50	17.09	25.74	43.64	20.67	29.12
30	15.19	19.45	28.29	44.02	24.24	32.60
35	17.66	22.52	31.49	44.85	28.32	36.78
40	20.71	26.60	35.41	46.44	37.12	42.20
45	25.39	32.60	40.47	49.16	49.16	49.16
50	32.56	40.63	47.18	53.58	68.25	...
55	41.04	51.40	56.36	60.58	106.69	...
60	...	66.08	69.37	71.49	...	...
65	...	86.49	...	...	...	...

\*End of expectancy period, face of policy reduced one-half.

### Provident Mutual's Retention

The Provident Mutual announces that the amounts of life or endowment insurance in excess of its retention which may be secured under its new reinsurance agreement on cases satisfactory to the reinsurance company, are as follows: Ages 10-15, \$20,000; 16-20, \$35,000; 21-50, \$50,000; 51-60, \$25,000; 61-65, \$10,000.

On the term plan or the double-ten rider an amount equal to the Provident's corresponding retention may be obtained as reinsurance.

On family income policies, at ages up to and including 45, an amount equal to the Provident's retention may be secured, if not in excess of \$200 per month. From ages 46 to 50 the limit is \$150 per month.

It will not be possible to secure reinsurance on single-premium policies with annual premiums for less than 10 years.

### Metropolitan Life, N. Y.

**MORTUARY, MATURITY AND SETTLEMENT DIVIDENDS**  
On Ordinary Life and Endowment Policies Which Do Not Contain Either The Total and Permanent Disability Income or Double Indemnity Benefits  
The following schedule shows the percentage of the reserve (cash value for Settlement Dividends) including the reserve on any outstanding paid up insurance purchased by dividend, payable as a Mortuary, Maturity or Settlement Dividend on Ordinary Life and endowment policies not containing either the total and permanent disability income benefit or the accidental death benefit, terminating during the last eight months of 1940 or the first four months of 1941.

These dividends are payable (in addition to any other dividend which is payable) on premium paying policies, Single Premium policies, Limited Payment policies which have become fully paid up by their terms and policies which have been continued as Paid Up Life or Endowment Insurance (excluding Paid Up Term Insurance) under the terms of the non-forfeiture provisions, provided premiums had been paid for at least 16 years when so continued.

**PERCENTAGES OF RESERVE PAYABLE AS A MORTUARY OR MATURITY DIVIDEND AND PERCENTAGES OF CASH VALUE PAYABLE AS A SETTLEMENT DIVIDEND**

Duration of Policy in Complete Years	Mortuary Dividend		Maturity Dividend		Settlement Dividend	
	Life Policies & Endowments of 21 or more Years	Endowments of 20 Years or Less	All Endowment Policies	Life Policies & Endowments of 21 or more Years	Endowments of 20 Years or Less	
30 or more	8 1/2	8 1/2	8 1/2	8 1/2	8 1/2	
29	8 1/2	8 1/2	8 1/2	8 1/2	8 1/2	
28	8 1/2	8 1/2	8 1/2	8 1/2	8 1/2	
27	8 1/2	8 1/2	8 1/2	8 1/2	8 1/2	
26	7 1/2	7 1/2	7 1/2	7 1/2	7 1/2	
25	7 1/2	7 1/2	7 1/2	7 1/2	7 1/2	
24	7 1/2	7 1/2	7 1/2	7 1/2	7 1/2	
23	6 1/2	6 1/2	6 1/2	6 1/2	6 1/2	
22	6 1/2	6 1/2	6 1/2	6 1/2	6 1/2	
21	5 1/2	5 1/2	5 1/2	5 1/2	5 1/2	
20	5 1/2	5 1/2	5 1/2	5 1/2	5 1/2	
19	4 1/2	3 1/2	3 1/2	3 1/2	3 1/2	
18	4 1/2	2 1/2	2 1/2	2 1/2	2 1/2	
17	3 1/2	1 1/2	1 1/2	1 1/2	1 1/2	
16	3 1/2	1 1/2	1 1/2	1 1/2	1 1/2	
15	2 1/2	1 1/2	1 1/2	1 1/2	1 1/2	
14	2 1/2	1 1/2	1 1/2	1 1/2	1 1/2	
13	2 1/2	1 1/2	1 1/2	1 1/2	1 1/2	
12	1 1/2	1 1/2	1 1/2	1 1/2	1 1/2	
11	1 1/2	1 1/2	1 1/2	1 1/2	1 1/2	
10	1 1/2	1 1/2	1 1/2	1 1/2	1 1/2	
9	1 1/2	1 1/2	1 1/2	1 1/2	1 1/2	
8	1 1/2	1 1/2	1 1/2	1 1/2	1 1/2	
7	1 1/2	1 1/2	1 1/2	1 1/2	1 1/2	
6 or Less	0	0	0	0	0	

In the case of all Ordinary Life and Endowment policies issued at premium rates adopted prior to 1909 terminating during the last eight months of 1940 or the first four months of 1941, a Settlement Dividend of 10% of the cash value or a Mortuary or Maturity Dividend of 10% of the reserve will be allowed.

**CAUTION**—This Schedule Should Not Be Used to Obtain the Mortuary, Maturity or Settlement Dividends on Intermediate or Special Class Policies, or on Policies Containing the Total and Permanent Disability Income or Double Indemnity Benefits as a Different Schedule Applies to Such Policies.

#### ILLUSTRATIONS

SETTLEMENT DIVIDENDS will be payable only when an insured finally and definitely settles his account with the company by taking his cash surrender value. For example, an Ordinary 20 Payment Life Policy for \$1000 of insurance issued at age 35 is surrendered for cash at the end of 20 years during the last eight months of 1940 or the first four months of 1941. The Settlement Dividend is 5% of the 30th year cash value of \$566, or \$28.30.

**MORTUARY DIVIDENDS** are payable when the policy is terminated by death, and are a percentage of the reserve (not of the amount of insurance) under the policy. For example, an Ordinary Endowment at Age 65 policy for \$1,000 of insurance issued at age 40, (term of endowment 25 years) is terminated by death after completing 18 full years and before completing the 19th year. The Mortuary Dividend on such a policy during the last eight months of 1940 or the first four months of 1941 is 4% of the 18th year reserve of \$608, or \$24.32.

**MATURITY DIVIDENDS** are payable at the maturity of endowments and are a percentage of the amount of insurance maturing. For example, an Ordinary 20 Year Endowment for \$1,000 of insurance issued at age 35 during the last eight months of 1940 or the first four months of 1941 matures during the last eight months of 1940 or the first four months of 1941. The Maturity Dividend is \$40.00.

### Metropolitan Life, N. Y.

**\*\*1940 ILLUSTRATIVE NET COST—NET PAYMENTS—\$1,000** Amer. Exp. 3%  
Applicable to 3% policies issued after Jan. 1, 1935

#### (ORDINARY) WHOLE LIFE PAID-UP AT 85

Ages	10	12	14	15	16	17	18	19	20
Premium	13.76	14.27	14.84	15.14	15.47	15.79	16.14	16.51	16.87
1	13.76	14.27	14.84	15.14	15.47	15.79	16.14	16.51	16.87
2	13.76	14.27	14.84	15.14	15.47	15.79	16.14	16.51	16.87
3	11.11	11.51	11.97	12.22	12.50	12.77	13.09	13.40	13.70
4	10.79	11.18	11.63	11.86	12.14	12.40	12.69	13.00	13.30
5	10.61	10.99	11.42	11.66	11.93	12.19	12.47	12.77	13.06
10	10.71	10.71	11.13	11.35	11.62	11.88	12.13	12.42	12.70
15	10.40	10.38	10.78	10.99	11.23	11.46	11.72	11.99	12.26
20	9.74	10.05	10.42	10.62	10.85	11.07	11.31	11.57	11.82

10 Year Summary									
10 Yrs. Prems.	137.60	142.70	148.40	151.40	154.70	157.90	161.40	165.10	168.70
10 Yrs. Div'ds.	25.28	26.34	27.42	27.96	28.44	28.97	29.53	30.08	30.64
10 Yrs. NET.	112.32	116.36	120.98	123.44	126.26	128.93	131.87	135.02	138.06
Av. Net Payt.	11.23	11.64	12.10	12.34	12.63	12.89	13.19	13.50	13.81
10 Yr. Cash Val.	46.00	51.00	55.00	58.00	61.00	63.00	65.00	67.00	70.00
10 Yr. Cost....	66.32	65.36	65.98	65.44	65.26	65.93	65.67	66.02	66.08
Average Cost	6.63	6.54	6.60	6.54	6.53	6.59	6.59	6.60	6.61

20 Year Summary									
20 Yrs. Prems.	275.20	285.40	296.80	302.80	309.40	315.80	322.80	330.20	337.40
20 Yrs. Div'ds.	62.73	65.32	68.39	69.84	71.17	72.62	74.13	75.63	77.16
20 Yrs. NET.	212.47	219.88	228.41	232.96	238.23	243.18	248.67	254.57	260.24
Av. Net Payt.	10.62	10.99	11.42	11.66	11.93	12.19	12.47	12.77	13.06
20 Yr. Cash Val.	134.00	144.00	155.00	160.00	165.00	170.00	175.00	180.00	185.00
Settlement Div.	6.70	7.20	7.75	8.00	8.30	8.65	9.05	9.30	9.65
Total Payable.	140.70	151.20	162.75	168.00	173.30	178.65	184.05	189.30	194.65
20 Yr. Cost....	71.77	68.08	65.66	64.96	63.93	63.53	62.75	62.27	61.59
Average Cost	3.59	3.43	3.28	3.25	3.20	3.08	3.04	2.96	2.88

**(ORDINARY) WHOLE LIFE PAID-UP AT 85—3% (Continued)**

Ages	21	22	23	24	25	26	27	28	29
Premium	17.28	17.68	18.11	18.56	19.04	19.53	20.07	20.61	21.19
1	17.28	17.68	18.11	18.56	19.04	19.53	20.07	20.61	21.19
2	17.28	17.68	18.11	18.56	19.04	19.53	20.07	20.61	21.19
3	14.03	14.36	14.72	15.09	15.49	15.89	16.34	16.80	17.31
4	13.62	13.95	14.29	14.65	15.04	15.43	15.86	16.31	16.80
5	13.39	13.70	14.04	14.39	14.77	15.15	15.58	16.02	16.50
10	13.01	13.30	13.63	13.97	14.33	14.69	15.10	15.53	15.98
15	12.55	12.83	13.14	13.45	13.80	14.14	14.53	14.93	15.37
20	12.09	12.36	12.65	12.95	13.28	13.60	13.97	14.35	14.77

10 Year Summary									
10 Yrs. Prems.	172.80	176.80	181.10	185.60	190.40	195.30	200.70	206.10	211.90
10 Yrs. Div'ds.	31.36	32.07	32.81	33.62	34.44	35.34	36.28	37.07	37.90
10 Yrs. NET.	141.44	144.73	148.29	151.98	155.96	160.44	164.42	168.03	171.00
Av. Net Payt.	14.14	14.47	14.83	15.20	15.60	16.00	16.44	16.90	17.40
10 Yr. Cash Val.	75.00	78.00	82.00	85.00	89.00	93.00	97.00	100.00	104.00
10 Yr. Cost....	64.44	66.73	69.29	72.06	75.00	78.44	82.42	86.03	90.00
Average Cost	6.64	6.67	6.63	6.70	6.70	6.70	6.74	6.90	7.00

20 Year Summary									
20 Yrs. Prems.	345.60	353.60	362.20	371.20	380.80	390.60	401.40	412.20	423.80
20 Yrs. Div'ds.	79.11	81.00	82.97	85.13	87.31	89.70	92.11	94.36	96.62
20 Yrs. NET.	266.49	272.60	279.23	286.07	293.49	300.90	309.29	317.84	327.18
Av. Net Payt.	13.32	13.63	13.96	14.30	14.67	15.05	15.46	15.89	16.36
20 Yr. Cash Val.	200.00	207.00	215.00	223.00	231.00	240.00	249.00	258.00	267.00
Settlement Div.	10.00	10.35	10.75	11.15	11.55	12.00	12.45	12.90	13.35
Total Payable.	210.00	217.35	225.75	234.15	242.55	252.00	261.45	270.90	280.35
20 Yr. Cost....	84.44	85.25	86.25	87.31	88.44	89.65	90.94	92.31	93.74
Average Cost	2.82	2.76	2.67	2.60	2.55	2.45	2.39	2.34	2.34

\*Settlement Dividend payable only on surrender if declared at time of surrender.

\*\*This is merely an illustration. All dividends depend upon earnings, and a dividend scale is not likely to continue unchanged over a period of years. These figures should be considered as illustrative of the present scale only and not guarantees or estimates of future results.

### Metropolitan Life, N. Y.

**\*\*1940 ILLUSTRATIVE NET COST—NET PAYMENTS—\$1,000** Amer. Exp. 3%  
Applicable to 3% policies issued after Jan. 1, 1935

#### (ORDINARY) WHOLE LIFE PAID-UP AT 85

Ages	48	49	50	51	52	53	54	55	56
Premium	40.96	42.71	44.59	46.58	48.69	50.97	53.39	55.97	58.73
1	40.96	42.71	44.59	46.58	48.69	50.97	53.39	55.97	58.73
2	35.60	37.17	38.87	40.66	42.52	44.53	46.64	48.80	51.24
3	34.61	36.14	37.89	39.72	41.62	43.67	45.84	48.12	50.61
4	34.01	35.52	37.16	38.88	40.65	42.57	44.60	46.74	49.01
5	32.97	34.45	36.05	37.72	39.47	41.36	43.35	45.46	47.68
6	33.31	34.88	36.48	38.14	39.84	41.76	43.82	45.98	48.25
10	30.93	32.38	33.97	35.64	37.36	39.26	41.25	43.36	45.55



## Metropolitan Life, N. Y.

\*1940 ILLUSTRATIVE NET COST—NET PAYMENTS

Am. Exp. 3%

Applicable to 3% Policies Issued After Jan. 1, 1935

(ORDINARY): WHOLE LIFE \$5,000—3% (Continued)

Ages	25	30	35	40	45	50	55	60	65
Premium	206.20	215.65	225.80	236.65	248.20	260.55	272.80	285.05	297.30
Net Payments	1	2	3	4	5	10	15	20	
1	206.20	215.65	225.80	236.65	248.20	260.55	272.80	285.05	297.30
2	188.00	197.15	206.35	215.95	226.00	236.50	247.50	259.00	271.00
3	183.70	192.05	201.00	210.40	220.35	230.80	241.75	253.20	265.10
4	182.00	190.30	199.15	208.45	218.40	228.90	239.80	251.10	262.90
5	180.05	188.30	197.05	206.30	216.05	226.50	237.40	248.75	260.55
10	174.45	182.50	191.05	200.15	209.75	220.00	230.75	242.00	253.75
15	168.55	176.45	184.90	193.85	203.35	213.50	224.25	235.55	247.35
20	164.15	172.20	180.60	189.50	199.50	209.80	220.55	231.75	243.45

10 Yrs. Prems.	2062.00	2156.50	2258.00	2366.50	2482.00	2605.50	2728.00	2850.50	2973.00
10 Yrs. Div'ds.	237.50	248.55	260.90	273.30	286.95	301.95	318.35	336.15	355.35
10 Yrs. NET.	1824.50	1907.95	1997.10	2093.20	2195.05	2297.55	2410.65	2514.35	2618.65
Av. Net Payt.	182.45	190.79	199.71	209.32	219.51	229.76	241.07	2514.35	2618.65
Av. Per \$1,000	36.49	38.16	39.94	41.82	43.82	45.95	50.57	55.80	61.98
10 Yr Cash Val	1170.00	1210.00	1250.00	1290.00	1330.00	1370.00	1410.00	1450.00	1490.00
10 Yr Cost...	654.50	697.05	741.10	786.20	833.05	881.55	931.75	983.75	1037.55
Average Cost	65.45	69.71	74.11	78.62	83.31	88.16	93.18	98.38	103.76
Av. Per \$1,000	13.09	13.94	14.82	15.72	16.66	17.63	18.63	19.67	20.75

20 Yrs. Prems.	4124.00	4313.00	4516.00	4733.00	4964.00	5211.00	5476.00	5759.00	6050.00
20 Yrs. Div'ds.	616.65	642.55	671.40	704.05	740.95	777.95	820.40	868.35	921.80
20 Yrs. NET.	3507.35	3670.45	3844.60	4028.95	4223.05	4433.05	4655.60	4897.35	5161.80
Av. Net Payt.	175.37	183.52	192.23	201.45	211.22	221.55	242.28	263.90	287.19
Av. Per \$1,000	35.07	36.70	38.45	40.29	42.24	44.33	48.88	53.98	59.44
20 Yr Cash Val	2545.00	2600.00	2650.00	2705.00	2765.00	2830.00	2890.00	2955.00	3025.00
Settle'mt Div*	127.25	130.00	132.50	135.25	137.75	140.50	144.00	151.75	162.25
Tot. Payable...	2672.25	2730.00	2782.50	2840.25	2892.75	2950.50	3008.00	3065.75	3123.25
20 Yr Cost...	835.10	890.45	946.10	1003.70	1063.30	1125.00	1189.75	1257.75	1329.00
Average Cost	41.76	44.52	47.31	50.19	53.16	56.25	59.56	63.11	66.90
Av. Per \$1,000	8.35	8.90	9.46	10.04	10.63	11.25	11.91	12.62	13.38

(ORDINARY) ENDOWMENT AT AGE 65—3%—\$1,000

Ages	20	25	30	35	40	45	50	55	60
Premiums	19.77	22.90	27.05	32.72	40.83	53.10	72.95	111.61	222.97
Net Payments	1	2	3	4	5	10	15	20	
1	19.77	22.90	27.05	32.72	40.83	53.10	72.95	111.61	222.97
2	19.77	22.90	27.05	32.72	40.83	53.10	72.95	111.61	222.97
3	16.90	19.70	23.48	29.04	37.04	49.16	68.14	104.76	210.08
4	16.43	19.14	22.82	28.24	36.03	47.84	66.32	101.95	204.35
5	16.15	18.81	22.42	27.74	35.41	47.01	65.17	100.14	200.75
10	15.64	18.18	21.63	26.74	34.09	45.23	62.75	96.70	196.70
15	15.01	17.40	20.66	25.50	32.48	43.45	60.47	92.47	192.47
20	14.38	16.61	19.67	24.35	31.36	41.89	58.47	88.47	188.47

10 Yrs. Prems.	197.70	229.00	270.50	327.20	408.30	531.00	729.50	1116.10	2229.70
10 Yrs. Div'ds.	29.42	33.31	37.85	46.91	59.82	77.95	108.61	162.97	336.19
10 Yrs. NET.	168.28	195.69	232.65	280.29	348.48	453.05	620.89	953.13	1893.51
Av. Net Payt.	16.83	19.57	23.27	28.03	34.85	45.31	62.09	95.31	189.35
10 Yr Cash Val	104.00	129.00	162.00	207.00	277.00	384.00	569.00	869.00	1334.00
10 Yr Cost...	64.28	66.69	70.65	79.29	98.40	125.05	178.89	276.16	447.36
Average Cost	6.43	6.67	7.07	7.93	9.84	12.51	17.89	27.62	44.74

20 Yrs. Prems.	395.40	458.00	541.00	654.40	816.60	1062.00	1489.00	2299.00	4518.00
20 Yrs. Div'ds.	77.59	89.02	102.72	114.19	128.49	148.64	178.61	222.97	336.19
20 Yrs. NET.	317.81	368.98	438.28	540.21	688.11	913.36	1310.39	2076.03	4181.81
Av. Net Payt.	15.89	18.45	21.91	27.01	34.41	45.67	62.09	95.31	189.35
20 Yr Cash Val	275.00	341.00	427.00	545.00	716.00	962.00	1314.00	1893.00	2893.00
Settle'mt Div*	137.50	155.50	175.50	202.50	238.50	285.50	341.50	416.50	518.50
Tot. Payable...	288.75	356.50	442.50	567.50	754.50	1047.50	1455.50	2109.50	3411.50
20 Yr Cost...	29.06	33.03	38.03	46.91	59.82	77.95	108.61	162.97	336.19
Average Cost	1.45	1.55	1.50	1.60	1.60	1.60	1.60	1.60	1.60

\*Return over Cost.  
 \*Settlement Dividend payable only on surrender if declared at time of surrender.  
 (a) Includes \$40 Maturity Dividend.  
 (b) Includes \$15 Maturity Dividend.  
 \*Issued on annual premium basis only and for not less than \$5,000.  
 \*\*This is merely an illustration. All dividends depend upon earnings, and a dividend scale is not likely to continue unchanged over a period of years. These figures should be considered as illustrative of the present scale only and not guarantees or estimates of future results.

## Metropolitan Life, N. Y.

\*1940 ILLUSTRATIVE NET COST—NET PAYMENTS

Am. Exp. 3%

Applicable to 3% policies issued after Jan. 1, 1940

RETIREMENT INCOME (Ordinary) (\$10 Monthly Income—\$1,000 Insurance)

Maturing at Age 65—Male					Maturing at Age 60—Male				
Ages	25	30	35	45	55	25	30	35	45
Premium	28.39	34.13	42.02	70.71	155.94	35.92	44.38	56.54	106.58
Net Payments	1	2	3	4	5	1	2	3	4
1	28.39	34.13	42.02	70.71	155.94	35.92	44.38	56.54	106.58
2	28.39	34.13	42.02	70.71	155.94	35.92	44.38	56.54	106.58
3	25.80	31.19	38.96	67.27	148.22	33.85	41.97	53.98	102.07
4	25.09	30.34	37.91	65.49	144.23	32.95	40.85	52.85	99.34
5	24.66	29.81	37.25	64.35	141.69	32.38	40.14	51.64	97.57
10	23.76	28.67	35.78	61.88	136.84	31.11	38.49	49.45	94.06
15	22.64	27.26	34.06	59.56	132.00	29.51	36.71	47.50	90.92
20	21.47	26.08	32.90	57.33	128.19	28.34	35.27	45.56	88.19

10 Yrs. Prems.	283.90	341.30	420.20	707.10	1559.40	359.20	443.80	565.40	1065.80
10 Yrs. Div'ds.	30.84	35.92	40.00	54.18	119.31	29.91	36.09	42.21	76.34
10 Yrs. NET.	253.06	305.38	380.20	652.92	1440.09	329.29	407.71	523.19	989.46
Av. Net Payt.	25.31	30.54	38.02	65.29	144.01	32.93	40.77	52.32	98.95
10 Yr Cash Val	185.00	236.00	312.00	588.00	1322.00	267.00	333.00	477.00	1004.00
10 Yr Cost...	68.20	69.38	68.20	64.92	181.91	62.20	61.20	61.20	114.54
Average Cost	6.81	6.94	6.82	6.49	18.19	6.23	6.12	6.12	11.45

20 Yrs. Prems.	567.80	682.60	840.40	1414.20	3119.80	718.40	887.60	1130.80	2071.60
20 Yrs. Div'ds.	89.50	105.58	120.01	152.02	229.02	94.32	113.75	134.48	207.61
20 Yrs. NET.	478.30	577.02	720.39	1262.18	2890.78	624.08	773.85	996.32	1864.00
Av. Net Payt.	23.92	28.85	36.02	63.11	144.54	31.20	38.69	49.82	93.19
20 Yr Cash Val	497.00	630.00	817.00	1322.00	2890.00	710.00	887.00	1130.00	2071.00
Settle'mt Div*	24.85	31.50	40.85	63.11	119.31	35.50	46.20	61.70	114.54
Tot. Payable...	521.85	661.50	857.85	1385.11	3009.31	745.50	933.20	1191.70	2185.54
20 Yr Cost...	143.55	164.45	193.46	262.02	429.02	112.42	136.35	175.38	262.02
Average Cost	12.18	14.22	16.87	26.20	42.90	11.24	13.63	17.54	26.20

Maturing at Age 65—Female					Maturing at Age 60—Female				
Ages	15	25	35	45	55	15	25	35	45
Premium	22.13	30.49	45.52	77.20	171.84	27.06	38.94	61.76	117.23
Net Payments	1	2	3	4	5	1	2	3	4
1	22.13	30.49	45.52	77.20	171.84	27.06	38.94	61.76	117.23
2	22.13	30.49	45.52	77.20	171.84	27.06	38.94	61.76	117.23
3	20.23	28.06	42.65	73.87	163.66	25.67	37.11	59.40	112.70
4	19.70	27.32	41.51	71.91	159.25	25.01	36.13	57.89	109.70
5	19.36	26.80	40.79	70.66	156.45	24.59	35.51	56.88	107.73
10	18.71	25.85	39.15	68.00	151.13	23.69	34.09	54.53	103.91
15	17.90	24.60	37.37	65.42	146.91	22.57	32.37	52.40	101.54
20	17.06	23.41	35.94	63.28	143.28	21.40	31.14	50.24	99.24

10 Year Summary									
10 Yrs. Prems.	221.30	304.90	455.20	772.00	1718.40	270.60	389.40	617.60	1172.30
10 Yrs. Div'ds.	22.81	30.25	39.96	55.77	128.91	20.82	29.27	42.33	80.45
10 Yrs. NET.	198.49	274.65	415.24	716.13	1589.49	249.78	360.13	575.27	1091.85
Av. Net Payt.	19.85	27.47	41.52	71.61	158.95	24.98	36.01	57.53	109.19
10 Yr Cash Val	123.00	207.00	332.00	664.00	1701.00	184.00	301.00	537.00	1125.00
10 Yr Cost...	65.49	67.65	63.24	52.13	111.51	65.78	59.13	38.27	133.15
Average Cost	6.55	6.77	6.32	5.21	11.15	6.58	5.91	3.83	13.32

## NEWS OF LIFE ASSOCIATIONS

### Give Program for Springfield Meeting

Five noted speakers on life insurance are scheduled to address the sales congress to be held at Springfield, Ill., May 18 in conjunction with the annual meeting there of the Illinois Association of Life Underwriters. The program was announced this week by Fred A. Schnell, Peoria, chairman program committee and president Peoria association.

The speakers are: Grant L. Hill, director of agencies Northwestern Mutual Life; James E. Rutherford, trustee of the National Association of Life Underwriters, and general agent Penn Mutual Life, Des Moines; Stanley E. Martin, general agent State Mutual Life, Columbus, and member Million Dollar Round Table of the National association; J. S. Maryman, agent Aetna Life, Little Rock, who has sold over a million dollars of insurance annually for 11 consecutive years, and B. S. McGiveran, general agent Northwestern Mutual Life, Eau Claire, Wis., who has a distinguished selling record.

#### Taylor General Chairman

John L. Taylor, manager Mutual Life of New York at Springfield, is general chairman of arrangements for the meeting. He has appointed E. E. Cantrell, general agent Northwestern Mutual Life, as chairman of the finance committee.

H. O. Plummer, service representative Mutual Life of New York, and Kenneth Keil, district manager Penn Mutual, are co-chairmen of the publicity and attendance committee. Ira Johnson, Mutual Benefit, is in charge of registration, and Herman Hauptfleisch, manager Metropolitan, will have charge of the doors.

Both the state meeting and sales con-

gress will be held in the Leland hotel. Friday afternoon, May 17, at 2 p. m., there will be a session for managers and general agents with H. M. Solenberger, general agent Mutual Benefit, as chairman. This program is in course of completion. At 4 o'clock Friday the regular business meeting of the state association with President B. J. Stumm in charge, will be held.

After the business meeting, there will be a dinner at the Leland, attended by officers and delegates from the various associations and by Insurance Director Ernest Palmer of Illinois and some of his associates. Mr. Stumm will be in charge.

### Greensboro Parley Attracts Nearly 200

GREENSBORO, N. C.—Nearly 200 attended the sales congress here, one of a series of four held during the week by the North Carolina Association of Life Underwriters.

The climax of the conference was the talk by Roger B. Hull, general counsel National association, at a luncheon meeting presided over by W. Guy Laughon, Greensboro.

Mr. Hull said he was convinced that the controlling voices in the national administration are now profoundly aware of the necessity for the restoration of business prosperity. He attributed the unfortunate impressions which emanated from the recent government inquiry to the few extremists who are not going to make any lasting impression. Mr. Hull declared he is confident whatever the eventual result of the investigation, the institution of life insurance is going to continue to go strongly forward, expanding the quality and scope of its service through the fundamentals of the American system.

Answering the question as to what should be done on the constructive side in light of the testimony in Washington, Mr. Hull said that recognition must be given to the fact that there are too many unqualified agents. This is not a new situation but today the consumer public is demanding a higher performance from agents than ever before. The suspicions and the confusions that have been engendered in the public mind must be met and overcome on a broad base of intensified service to the assured.

After his formal talk on "Preserving Industrial Reserves," which was broadcast over the radio, Mr. Hull urged those present to take more active roles in the work of the association, to seek new members, and to be prepared by letter, telegram and delegation to tell the state's delegation in Congress the wishes of the American public so that the agency services rendered by life companies will not be imperiled. He complimented Commissioner Boney and the insurance department for efficient work.

#### Price Greets Visitors

The business sessions were held in the clubrooms of the Jefferson Standard Life. The morning session was opened by John R. Knott, Charlotte, state chairman, with D. D. Edmunds, Winston-Salem, presiding. A welcome was extended by Julian Price, president Jefferson Standard Life. Advice on "Making 1940 a Better Year" was given by O. Sam Cummings, Dallas, Texas manager Kansas City Life and past president National association. He urged a keener analysis of prospect needs and suggested novel means for presenting to the prospects the function of insurance in providing for old age, disability, savings plan, education of children, mortgage protection, income for wife and family, taxes, etc. In spite of all the educational work of the past years, the usual practice still persists of having an agent present a canned talk, unadjusted to the

individual needs or personality, he said.

John A. Witherspoon, Nashville general agent John Hancock Mutual Life, analyzed "What Makes Him Buy?" He urged a more careful selection of prospects. The indifferent prospect is one of the most difficult persons to tackle. He told of the success he had had in calling the indifferent man's attention to vital moments of his past when he wasn't indifferent, thus dramatizing some of the critical moments of the future. He asked one prospect if he wouldn't hate to have his friends and neighbors know how careless he was being in providing protection for his family? He then remarked that within 24 hours after the prospect's death, all the friends and neighbors would know of his carelessness.

#### Warns of Crime and Sorrow

Mr. Witherspoon dramatized the sorrow and crime bred in millions of homes where the breadwinner has been snatched away before he has made provision for the care and education of his children.

In the afternoon with Alla P. Mulligan, Greensboro, presiding, John P. Williams, educational director American College of Life Underwriters, stated only about one-thirteenth of insurance values are covered. After presenting a review of the educational system of the nation, he declared there is a big job for the insurance organizations in educating their members. A greater group loyalty is needed, he said. He pointed to the possibility of developing a professional pride and code of ethics comparable to those existing in the medical profession. Men must train themselves to increase self-confidence, to develop the power to serve, to increase the prestige of their service and build a real career, he said.

Carroll C. Day, Oklahoma City general agent Pacific Mutual Life, reviewed the economic distress among millions of American families and presented a forceful argument to prove that mental and moral decay flow from poverty and want. He presented five rules of insurance salesmanship: never argue, never talk life insurance, talk life, agree on a major question, don't let the prospect write the rules of the interview.

#### Hodges Heads Officers' School

TOLEDO, O.—One of the important events on the calendar of the annual convention of the Ohio Association of Life Underwriters, May 2-4, is the school for local association officers, which will be held the afternoon of May 2, with Ray Hodges, Ohio National, secretary of the National association, as chairman. This meeting gave valuable aid to local association officers in preparing their programs and running their affairs last year. The trustees' meeting will begin the morning of the same day and continue through the afternoon, with R. W. Hoyer, John Hancock, president, in the chair. In the evening, the local officers and trustees will meet for dinner to hear C. J. Zimmerman, Connecticut Mutual, president National association.

#### McNutt Is Louisville Headliner

LOUISVILLE — Paul V. McNutt, federal security administrator, will be the headline attraction at the annual sales congress of the Louisville Association of Life Underwriters on April 25. In "Why Is It?" he will describe the purposes and objectives of the social security act. Other speakers will include C. J. Zimmerman, president, and Ray Hodges, secretary of the National association. Henry Hill, general agent Massachusetts Mutual Life and president of the Louisville association, will preside. T. H. Wall, Pacific Mutual Life general agent, is general chairman.

Kansas—Leo R. Porter, president, and O. Lynn Smith, secretary, who accompanied Roger B. Hull, general counsel National association, on a four-day speaking trip before the nine Kansas associations, report the meetings highly successful and a source of many new memberships. The largest meeting was

### "American Portrait" Film Televised in Los Angeles

LOS ANGELES—The Life Underwriters Association of Los Angeles introduced an innovation by presenting "An American Portrait" to the public via television.

John White, chairman Prudential motion picture committee completed the arrangements for the presentation and with President Leon A. Soper, general agent Phoenix Mutual, conducted a dialogue at one of the local television studios, giving the reasons for the picture and commenting on the social and economic value of life insurance. The part the life agent has had in persuading practically one-half of the people of the United States to come under the protecting wing of life insurance, was pointed out.

At the close of the dialogue the film was broadcast via the television apparatus.

held at Wichita where the Wichita Insurers joined in. Hutchinson, Topeka and Pittsburg also had large crowds. At Hutchinson members of the senior and junior chambers of commerce attended and Max Lyman, president bar association, presided. In Topeka, John Ripley, vice-president chamber of commerce, presided, and the Emporia association members were guests.

Houston, Tex.—Several changes in qualifications for membership in the Leaders Round Table were adopted by the directors of the Houston association. General agents, managers and supervisors are excluded from membership and each round table member must be a member of the Houston association with full annual dues paid.

A minimum of \$3,600 in commission income in the previous calendar year from sales for legal reserve life companies is set, of which 75 percent must come from first year commissions on at least 12 separate lives. Group and wholesale cases of all kinds count as one life.

Bay City, Mich.—A joint meeting of local attorneys and life men to discuss cooperation in their respective fields will be held the middle of May. At the meeting there will be a prominent attorney and a prominent life man give addresses. F. D. Burdick of the Metropolitan Life is president.

Mr. Burdick said the program will be based on a statement released by the American Bar Association's standing committee on unauthorized practice of law and by the National Association of Life Underwriters.

Davenport, Ia.—Assurance has been given by Charles M. Sessions, New York Life, vice-president, that the annual sales congress will be continued under his administration. Karl E. Madden, former general agent Penn Mutual Life and impresario of the congresses in the past, has volunteered his assistance.

North Dakota—A two-day meeting was held in Fargo. O. J. Arnold, president Northwestern National Life, was the principal speaker at the banquet.

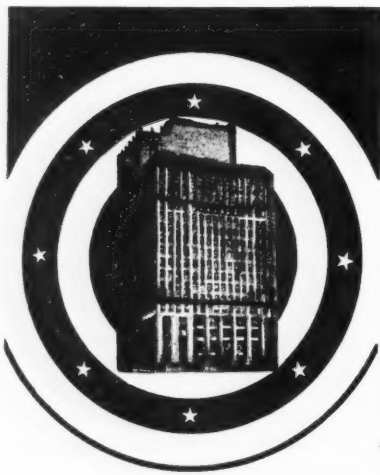
Rochester, N. Y.—Albert Hirst, counsel of the New York State Association of Life Underwriters, addressed two meetings, one of the chamber of commerce sponsored by the Rochester Life Insurance & Trust Council and the other of the Rochester Life Managers Association. He spoke on the 1940 changes in the New York insurance law.

Membership now totals more than 300, it was announced by J. Howard Davies, president.

Hutchinson, Kan.—C. J. Zimmerman, president of the National association, will speak April 16.

Lincoln, Neb.—George H. Harris, public relations director Sun Life of Canada, spoke on "The Relationship of a Business to the Welfare of Society" at a public affairs luncheon.

San Antonio, Tex.—Dr. C. J. Koerth, San Antonio, superintendent of the W. O. W. Sanatorium, spoke on "Tuberculosis Death vs. Accidental Death." He stressed the importance of clinics for examination of children and workers to determine whether they are suffering from tuberculosis before being accepted in schools and in business houses and factories, pointing out the great danger



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OPPORTUNITIES  
for good personal  
producers

**Central Life**  
INSURANCE COMPANY  
of Illinois

ALFRED MACARTHUR, PRESIDENT  
211 WEST WACKER DRIVE, CHICAGO



of the spread of the disease. He described a tuberculosis victim as dangerous as 100 victims of syphilis.

**Wausau, Wis.**—George L. Ruder, local attorney, spoke on the legal procedure of probating estates. He stressed the importance of a simple will with full instructions to the executor, giving illustrations of several cases involving minor children.

**Lansing, Mich.**—F. A. McCartney, district manager Equitable Society, expressed confidence that life insurance will surmount current problems as successfully as it has solved difficulties in the past. Investment and tax problems are of the greatest concern at the present, he said.

**Cleveland**—George E. Lackey, Detroit general agent Massachusetts Mutual Life, will speak April 18 on "The Kinship of Law and Life Insurance." Members of the Cleveland Bar Association and the Life Underwriters-Trust Officers Club will be invited.

The women's division will hear Thoburn Mills, assistant vice-president and trust officer of the National City Bank of Cleveland, April 12 on "Women and Their Money."

**Baltimore**—H. C. Fisher, Aetna Life president Washington, D. C., association, spoke.

Frederick A. Savage, Jr., general agent New England Mutual, has been appointed chairman of the "On to Philadelphia" committee. Due to the fact that the Baltimore association has invited the 1941 convention to meet in Baltimore, it is expected that an unusually large delegation will be on hand in Philadelphia.

**Rochester, Pa.**—R. A. Beyer, personnel director for the Central Tube Company, Ambridge, Pa., spoke on "What of the Insurance Agent?" at the meeting of the Beaver Valley branch of the Pittsburgh association.

**Springfield, Mass.**—J. Harry Wood, manager of general agencies John Hancock Mutual Life, spoke on "Making More Money in 1940."

**Boston**—John Marshall Holcombe, Jr., manager Sales Research Bureau, will speak April 18 on "Imaginative Selling."

**Columbus, O.**—L. L. Lentz, Connecticut Mutual; Gilbert Moody, Midland, and A. A. Staub, Metropolitan Life, have been elected trustees.

The trustees elected E. J. Staton, Equitable Life of Iowa, president; C. W. Griffith, John Hancock, vice-president; Ely D. Miller, Provident Mutual, secretary; J. Boyd Davis, Penn Mutual, treasurer; Ralph W. Hoyer, John Hancock, national committeeman. The new officers will not assume their duties until July 1. They were chosen at this time in order that they might attend the school for local association officials in connection with the convention of the Ohio Association of Life Underwriters.

**Los Angeles**—Weymouth L. Murrell, general agent Mutual Benefit Life, spoke to the forum on "Prospecting to Reach a Higher Market."

**Pontiac, Mich.**—Commissioner Emery of Michigan speaks Friday on "What Do You Know About Your Insurance Investment?"

#### Parish Joins Security Mutual

R. H. Parish, for more than a decade with the Fidelity Mutual Life in Philadelphia, has become associated with the Security Mutual Life in Binghamton, N. Y., where he is setting up a cost accounting system under the supervision of Comptroller A. E. Smith.

Commissioner Fischer of Iowa, who is a patient at the Iowa Lutheran hospital in Des Moines, is still "improving," according to latest reports. He was taken to the hospital March 27 after an attack of pneumonia.

Jefferson Standard agents get close cooperation and constructive sales helps from the home office.

**JEFFERSON STANDARD**  
LIFE INSURANCE COMPANY

HOME OFFICE • GREENSBORO, N. C.

## CHICAGO

#### HEIFETZ AGENCY'S BIG INCREASE

The Samuel Heifetz agency of Mutual Life of New York in Chicago had a 54 percent increase in paid business the first quarter this year. Mr. Heifetz plans to move to larger quarters in the Board of Trade building some time this month. He will hold an agency meeting April 22, when "American Portrait," sound movie of the Institute of Life Insurance, will be shown to his agents.

#### ANCIENT LAW CALLED SUPERIOR

The most ancient recorded system of law originated in southern Babylonia as far back as 2500 B. C., said A. F. Gruenwald, speaking at Chicago Life Insurance Lawyers Club meeting. The enforcement of law and the prevention of crime were so efficient that the government and tax payer could get blanket insurance for every one against loss by crime. Such a high type of civilized order makes our modern government appear infantile and inefficient.

Touching on delivery to the assured while in good health, Mr. Gruenwald advised that rather than resort to the pretense of the text book writers, who try to correlate all decisions to make a rule, that it is more honest and simple to merely state that the courts disagree and one should carefully view the law of the more particular state involved.

#### GADDIS NAMED STATISTICIAN

Henry E. Gaddis has been appointed agency assistant and statistician of Hobart & Oates, Chicago general agents Northwestern Mutual Life. He has been in a production capacity in the agency for a number of years and before that for 10 years was statistician. Mr. Gaddis is a University of Illinois graduate, having studied actuarial science there. He entered the business with Northwestern Mutual at the home office in 1915, being connected with the agency department for several years.

#### INSURANCE DIVISION LUNCHEON

The insurance division of the Union League Club of Chicago gave a luncheon Thursday noon in honor of the new insurance members. It was a testimonial to John L. Clarkson of Bartholomay - Darling - Clarkson Company, who is closing his year as president of the club, having made a most significant record. C. M. Cartwright, THE NATIONAL UNDERWRITER, is chairman of the division.

#### McKEOUGH AGENCY WINS HONORS

The A. E. McKeough agency, Chicago, won top honors in the annual Rookwood lamp contest sponsored by the Ohio National Life during February and March.

General Agent McKeough won one of the two lamps because the agency paid for the greatest volume of new business during the contest period, while the other lamp went to Henry Royer, an associate of the agency, who personally paid for the largest volume of business. Messrs. McKeough and Royer will each receive a beautiful Rookwood table lamp.

#### MARQUIS-ELLSWORTH JUBILEE

The Marquis-Ellsworth agency of Provident Mutual Life in Chicago celebrated its 10th anniversary. Forty-two were in attendance at the dinner at the Edgewater Beach Hotel, including representatives of the agency and their wives from Rockford, Freeport, Elgin, Joliet, Streator, LaSalle and Kankakee as well as the Chicago group. The home office was represented by W. D. Cross, assistant manager of agencies, and the other Provident Mutual Chicago agencies by general agents E. S. Albritton and Willard Ewing.

At the meeting preceding dinner, at which Ernest Tonkel, supervisor in the agency, presided, S. D. Marquis and

## CONFUCIUS

### SAY: ■

A recent issue of *Collier's* reminds readers that, 2,400 years ago, the real Confucius—not the synthetic sage of current wisecracking — remarked, "Life is really simple, but men insist on making it complicated."

There are some few, at least, who ask themselves if a like fate has not overtaken life insurance. An essentially simple plan of economic salvation, it is too often offered to the average prospect in a manner that bewilders and breeds misunderstanding.

**LIFE**  
INSURANCE COMPANY  
**VIRGINIA**

Established 1871

RICHMOND



**COUNTRY LIFE**  
**INSURANCE COMPANY**

*"Outstanding  
in Every Respect"*

HOME OFFICE • CHICAGO, ILLINOIS

## THE ROAD FORWARD

The success ahead of a life insurance salesman depends upon five definite things:

1. Himself
2. His field
3. His policy contracts
4. His contract
5. His company

All of these are equally important. If all are good, success can be assured.

To the man who possesses the right qualifications, we will supply the other requisites—the right field, the right policies, the right contract, the right company. In addition we have a plan to assist you financially in developing a territory.

LIFE • ACCIDENT • HEALTH

Openings in Wisconsin, Illinois, Indiana, Michigan and Minnesota

ADDRESS AGENCY MANAGER

**WISCONSIN**  
National Life Ins. Co.  
Oshkosh, Wisconsin

**COMMONWEALTH LIFE**  
OFFERS A POLICY FOR  
EVERY LIFE *Contingency*



**POLICIES ARE ISSUED  
FROM BIRTH TO THE  
AGE OF SEVENTY • •**

**Our unique Optional  
Life and Endowment  
Policy is so very flex-  
ible that it actually  
provides a complete  
life insurance pro-  
gram.**

\*Commonwealth Life's plan of Cordial Co-operation is enabling salesmen to build bigger incomes more quickly. For full information write to

**WALTER S. SCHNEITER**  
Secretary of Agencies

**Commonwealth Life**  
INSURANCE COMPANY  
HOME OFFICE: LOUISVILLE, KY.

Leonard Ellsworth were presented an embossed and framed expression of loyalty from the agency staff, the work of Erwin J. Herrick, one of the veteran members of the agency. Awards were presented to D. F. Beach, R. L. Heim and W. J. Hannan of Chicago and Clarence Burr of Rockford for leadership in production during the anniversary campaign. Miss Ruth Kierland, who has been cashier since its establishment, received a purse as an anniversary gift. A farewell gift was also presented by his associates to Mr. Tonkel, who has been appointed supervisor of the Henry Schoch agency of Aetna Life in Detroit.

The Marquis-Ellsworth agency was established by Mr. Marquis March 1, 1930. Jan. 1, 1933, Mr. Ellsworth, at that time general agent in Rockford, and Mr. Marquis combined their agencies to form the present organization. The agency has had a steady growth from scratch and now has well over \$10,000,000 in force. The two general agents are Provident Mutual veterans—Mr. Ellsworth with 27 years and Mr. Marquis 18 years of service.

### HASTIE REVAMPING OFFICE

John R. Hastie, who is head of the Mutual Life of New York agency in One La Salle Street building, Chicago, is now revamping and modernizing his office. He has made a study of effective interior arrangements and is gearing his office accordingly. When the work is all completed he will have a very convenient, commodious and well ordered office.

### OFFICE IS BEING MODERNIZED

A. C. Bowser, the new general agent of the National Life of Vermont in Chicago, is enlarging the office and rearranging it so that it will be entirely modern and very efficient in its working

### Rockwood Co., Chicago, Has New Chief Executive

W. C. Butler, associate of the Rockwood Company, Chicago agency, has been elected president. He succeeds Frank P. Wood, who was elevated to board chairman. Mr. Wood has been with the firm since 1904 and has had a great deal to do with the agency's growth.

L. P. Cain, Jr., continues as secretary, L. M. Haarvig as senior vice-president, and R. R. Rawle and J. E. Rowland, vice-presidents, and N. J. Westerhold, Jr., as treasurer.

Mr. Butler has been in the insurance business 16 years, starting as agent at Oklahoma City with Bankers Life of Nebraska. He went to Chicago in 1924 as an agent of that company, and a year or so later was appointed general agent there for Bankers Life of Nebraska, a post he held for 12 years. He built up the largest city agency of that company.

He produced a large volume of life insurance as an associate of Rockwood Company, being one of the earliest qualifiers for the Travelers' 75th anniversary convention to be held at Quebec in June. Mr. Butler was on the executive committee and a director of the Chicago C.L.U. chapter, being one of the earliest to get the C.L.U. designation.

### Agency Organized in 1898

The Rockwood Company is a multiple line office. As general agent of Travelers it leads all the other Chicago general agents of that company in life and group production. It was organized in 1898 as Taft & Rockwood.

Under Mr. Butler's direction, the agency is expanding its policy of selecting younger producers and giving them intensive training, using the home office educational facilities of Travelers. It has made much progress in production this year with a premium increase of about 25 percent in all lines.

Department heads continue, these being James L. Baxter, manager fire department; Mr. Haarvig, casualty; R. C. Carson, manager life department, and W. W. Kuhlman, bond manager.

arrangements. Mr. Bowser at the head office visited a number of general agencies throughout the country, introducing salary savings insurance as he is an expert in that line. Therefore, he had an opportunity to study office layout and effective arrangement of the working tools of an organization. In the Chicago office, therefore, he has attempted to put in effect the knowledge that he gained in these visits.

Mr. Bowser and his family will reside in Wilmette, Ill., where he has already rented a house.

Marc A. Law, who has been general agent of the National Life at Chicago and is now associate general agent, will give a dinner in honor of General Agent Bowser next Monday evening.

### GREEN SERVES AMALGAMATED L.&H.

Walter Green, prominent consulting actuary of Chicago, is actuary for the newly organized Amalgamated Life & Health of Chicago, an instrumentality of the Amalgamated Clothing Workers of America.

### KLEIN AGENCY WINS PLAQUE

The A. R. Klein agency of the Home Life of New York in Chicago repeated its performance of the first quarter of 1939 by winning the "new organization" plaque for the first quarter of 1940. This plaque is awarded each quarter to the agency doing the outstanding job in recruiting. Mr. Klein, who is a C. L. U., is developing a group of men on the company's program of "Client Building Through Estate Planning." The Home Life has been using the planned estate method of selling for more than seven years with the result that it is reported to have the highest average sales of any American life company.

D. J. O'Hayer, 61, with the Pacific Mutual Life in St. Louis more than 20 years, died at his home in University City from a cerebral hemorrhage.

## STOCKS

H. W. Cornelius of Bacon, Whipple & Co., 135 South La Salle street, Chicago, gives the following stock quotations for life companies as of April 9:

	Par	Div.*	Bid	Asked
Aetna Life	10	1.40*	32	33 1/2
Central Ill.	10	...	9	9 1/2
Cent. States Life	5	...	1 1/2	1 3/4
Colum. Natl. L.	100	...	68	72 1/2
Conn. Genl.	10	.80	28 1/2	30 1/2
Contl. Assurance	10	2.00	40	42
Federal Life	10	...	4 1/2	5 1/4
Great Southn. L.	10	1.30	21 1/2	23
Kan. City Life	100	16.00	350	400
Life & Cas.	3	.50	11 1/2	12 1/2
Lincoln Natl.	10	1.40*	30	32
No. Amer. Life	2	...	2 1/2	3
N. W. Natl. Life	5	.30	12	13
Ohio Natl. Life	10	1.25	26 1/2	28 1/2
Old Line Life	10	.60	11	12
Sun Life, Can.	100	15.00	285	315
Travelers	100	16.00	460	475
Union Cent. Life	20	1.20	20	25
Wis. National	10	1.00	16 1/2	18

### D. Gordon Hunter Completes 20 Years with Phoenix

(CONTINUED FROM PAGE 3)

In 1929 he left that position to take charge of all the company's agencies with the title of agency manager. In 1934 he was advanced to vice-president and agency manager.

Colonel Hunter is active in many life insurance organizations, and is chairman of the agency practices committee of the Life Agency Officers. He also is a member of the American Society of Sales Executives.

Attorney Wayne Ely of St. Louis, who does much work for insurance companies, has moved his offices to the tenth floor of the Commerce building.

Lauren Schleh, deputy conservator of the Agricultural Life of Detroit and a consulting actuary in that city, was married in Detroit to Miss Katherine Woodhead of that city.

**\$777,285,815**

INSURANCE IN FORCE

**\$73,092,083**

INCREASE FOR 1939

**AND THE Reason?**

Careful planning in the Home Office . . . Able and intelligent cooperation in the Field . . . Sympathetic understanding and coordination between the two.



**AMERICAN NATIONAL  
INSURANCE COMPANY**

GALVESTON, TEXAS . . . W. L. MOODY, JR., PRESIDENT

Operating from Coast to Coast, from the Great Lakes to the Gulf.



## LIFE AGENCY CHANGES

### Lincoln National Is Opening Florida

L. E. Lanford has been appointed general agent for the Lincoln National Life in Miami, Fla. The Lanford Agency will have headquarters at 801 - 2 Ingraham building, Miami and will operate throughout south-east Florida.



L. E. Lanford

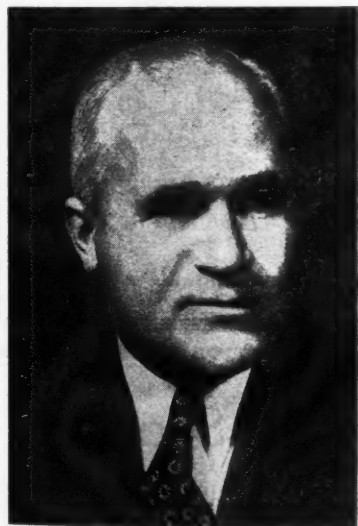
Mr. Lanford is the first Lincoln National Life general agent to be appointed for Florida. He plans the immediate expansion of the Miami office and the establishment of district agencies throughout his territory. He has just returned from the home office where he completed arrangements for the operation of the newly opened office.

Mr. Lanford was born in Atlanta, Ga., and is a graduate of Georgia Tech and the Atlanta Law School. He has had long experience in sales and executive work. In 1925 he went to Florida as state distributor for the Peerless Automobile Company. Later he joined the Cadillac division of General Motors in Miami, where he won the distinction of leading Cadillac salesman of the United States.

### Zern Goes with R. J. Wiese

A. J. Zern, assistant manager of the W. V. Woody agency, Equitable Society, Chicago, has resigned and becomes assistant agency manager of the R. J. Wiese agency Northwestern National Life, Chicago. Mr. Zern has been with the Equitable Society for 15 years, and developed one of its most successful units. He will have charge of recruiting and training a new unit. The announcement was made at a breakfast of the agency staff. Speakers included

### National Life of Vt. Has New General Agent



FRED S. FERN

Fred S. Fern, who has been appointed general agent for National Life of Vermont at Newark, will cover northern New Jersey. He had been a National representative in New York, and previous to his connection with that company had managerial experience with a New York agency.

Wayne Kilbourne, of the family economics bureau at the home office; Lester Swank, assistant manager in charge of the Waukegan branch; Edward Porter, assistant agency manager, and A. B. Effrein, head of the agency's brokerage department.

### New Associate Manager of Ohio National Agency

T. W. Strange, who has been appointed associate manager in the home office agency in Cincinnati of Ohio Na-



T. W. STRANGE

tional Life, will assist Ray Hodges, manager. Mr. Strange has been with Pacific Mutual Life for the past 20 years.

### Name Yancey, Dixon in Raleigh

The Atlantic Life has appointed R. G. Yancey and Fred Dixon as associate general agents in Raleigh, N. C. The new agency will be known as the Yancey-Dixon Agency, with offices in the Lawyers building. It covers 12 counties.

Mr. Yancey entered insurance work in 1920 as special agent of the Springfield Fire & Marine, and in 1927 organized a general insurance agency, building it into one of the largest of its kind in eastern North Carolina. Mr. Dixon has been with the State Capital Life for the past two years.

### Osander Made Field Assistant

F. J. Osander has been appointed field assistant of the Minnesota branch of the Canada Life, associated with R. G. Hickerson, Minnesota branch manager. He joined the company in 1932 and has frequently been a member of its production clubs.

### Travelers Changes

John P. Stumpf, assistant manager of the Travelers' Richmond, Va., branch, has been promoted to manager in Nashville, Tenn.

Operating under the jurisdiction of the Reading, Pa., branch, a combined agency branch and service office of the Travelers, will be opened in the State Street building, Harrisburg, Pa. The claim and inspection service office now in the State Theatre building will be moved to the new location.

### Shattuc Goes to Pasadena

T. S. Shattuc, who has been with the Mutual Life of New York in Chicago since 1907, with the exception of four years when he was Illinois manager of the Great Southern Life of Houston, has established his residence in Pasadena, Cal., being under the Los Angeles office of the Mutual Life.

### Ziegel Joins Sun Life

F. K. Ziegel, formerly assistant manager of Personal Finance Company at Detroit and Highland Park, Mich., has



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joined the group life and pension department of the Sun Life of Canada under the supervision of Regional Group Manager H. N. Phillips, at Detroit. Mr. Ziegel was previously connected with the Plymouth division of the Chrysler Corporation as a lecturer at automobile shows throughout the country.

A graduate of Michigan State College (1936) Mr. Ziegel was an outstanding athlete, having been awarded nine letters in swimming, baseball and football.

#### Tonkel Joins Detroit Agency

E. R. Tonkel has joined the H. K. Schoch agency of Aetna Life in Detroit as supervisor. He formerly held the same position with Marquis-Ellsworth agency of Provident Mutual Life in Chicago. He joined the Chicago firm nine years ago after graduating from Northwestern. Before leaving, his former associates gave him a farewell gift at the 10th anniversary dinner of the Marquis-Ellsworth agency.

#### La Fayette Life Names Two

The LaFayette Life has named two new general agents: C. V. Miller, formerly with the Lincoln National Life at Lafayette, Ind., has been named home office general agent there. Harold M. Jones, formerly with the Massachusetts Mutual, has been named general agent at Youngstown, O.

#### Silberger Supervisor at Dallas

Lloyd Silberger, who has been connected with the E. F. White agency of Connecticut Mutual at Dallas since 1935, is made supervisor there. The agency expects to acquire enlarged quarters at Dallas, with Mr. Silberger supervising a new unit. Mr. Silberger will accompany the Dallas Chamber of Commerce Good-Will Trade trip into west Texas, New Mexico and southern Oklahoma commencing April 22.

#### A. G. Smith Named in Toronto

A. G. Smith has been appointed general agent of Occidental Life in Toronto. This is the fourth Occidental general agency in Toronto, where T. J. Gray, F. S. Fulthorp and R. C. Ellis already are established.

Mr. Smith has been with the Investors Syndicate 12 years, the last nine as Ontario divisional manager.

#### Arnold to Assist Woodhouse

J. M. Woodhouse, Boston, general agent Union Central Life for eastern Massachusetts and Rhode Island, has appointed R. W. Arnold personnel organizer and assistant manager of the Providence, R. I. agency. He has been a large personal producer with the Penn Mutual in Providence for some years.

#### Theobald Made District Manager

J. B. Theobald has been promoted to district manager for the Massachusetts Mutual in Greensburg and Westmoreland County, Pa. Mr. Theobald has been with the company a number of years, and his name has appeared frequently on the company honor rolls.

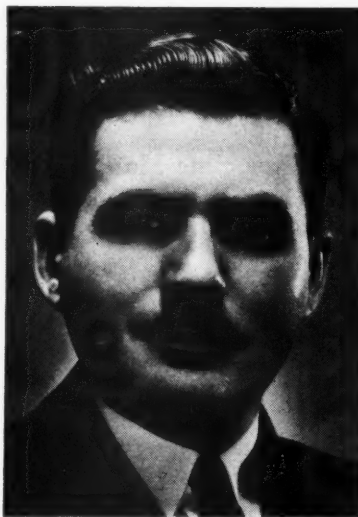
#### Pearson Goes to Seattle

E. C. Pearson, who for more than a year has been associated with the Detroit group life and pension department of the Sun Life of Canada, is being transferred to Seattle, where he will assume responsibility for the promotion of group life and pension business.

E. D. Wayland has been named district supervisor in central Missouri with headquarters at Columbia by the National Fidelity Life.

Emile Hirschey, assistant superintendent of the Prudential in District 3, Toledo, O., has been named superintendent of District 1, succeeding Willard Swartzbaugh, retired. Mr. Hirschey's brother, Victor Hirschey, is field superintendent of northwestern Ohio.

#### Production Manager Named by General Agent Swanson



HOWARD L. CUNDY

Howard L. Cundy, supervisor and statistician of Hobart & Oates, Chicago general agents Northwestern Mutual Life, resigned this week and was appointed production manager by H. G. Swanson, general agent there of the New England Mutual Life.

In his work with Hobart & Oates he had much to do with training new agents in the fundamentals of life insurance and counseling the older producers on competition, tax matters, sales ideas and approaches, as well as helping them to prepare their sales presentations.

#### Has Had Broad Experience

Mr. Cundy has had broad experience. He attended Parsons College, Fairfield, Ia., and Iowa State Teachers College, being president of the 1929 graduating class. After experience with A. T. & T., he became principal of the high school and coach at Sharpsburg, Ia., and in 1931 went to Downers Grove, Ill., as

history teacher and coach in the Lincoln junior high school there. He developed a basketball team there that was undefeated in its first season and won many cups and medals. He also was boxing and wrestling coach.

Mr. Cundy was adjuster of Maryland Casualty at Chicago in 1933-1934, when he went with Hobart & Oates. He is vice-president Iowa State Teachers Alumni Association of Chicago.

The Swanson agency is 48 percent ahead in submitted business for the first quarter this year. It paid for more than \$5,000,000 including annuities last year and won third place countrywide in New England Mutual. It led all the Chicago agencies of New England Mutual last year.

Mr. Swanson has built a strong agency organization. His brother, Robert H., is brokerage manager.

I. R. Palmer has been appointed branch manager for Saskatchewan by the Manufacturers Life. He succeeds B. C. Porter, who has retired to devote his whole time to personal business. Mr. Palmer joined the company in 1917 at Regina.

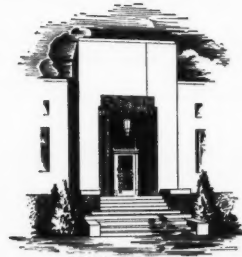
#### Durstine, Jaqua Guest Speakers

CINCINNATI—With the securing of R. S. Durstine, president R. S. Durstine, Inc., advertising agency, New York, and A. R. Jaqua, associate editor Diamond Life Bulletins, Cincinnati, as speakers, the program for the North Central Round Table of the Life Advertisers Association, May 8-9, is practically complete. A. W. Theiss, Ohio National, chairman of arrangements, has announced.

Mr. Durstine will address the Wednesday joint luncheon with the Cincinnati Advertisers Club on "Showmanship in Advertising." He was formerly a member of the Batton, Barton, Durstine & Osborne agency and has recently established his own agency.

Mr. Jaqua is widely known in life insurance for his educational articles and talks before life insurance groups. His topic will be that selling methods today require greater use of promotional material.

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## Pointed Tips Given on Recruiting

(CONTINUED FROM PAGE 2)

The business has raised its sights materially in the last five or 10 years. He said he is proud of that fact but the business must realize that it is not yet able to handle the new level on which it proposes to go.

Hazen Exeter, Pacific Mutual, Salt Lake City, voiced the belief that young men today are seeking something that is permanent. Men are less certain today than they have ever been. They wonder what some change in politics or in the economic skies will mean to them in their employment. Life insurance offers a "civil service opportunity in the field of commerce for the man who can produce the goods." If a man is unwilling to face the hard job which gives him an opportunity to stay in the profession as long as he wants, Mr. Exeter said he doesn't want the man.

### Views of C. J. Currie

C. J. Currie, Mutual Life, Atlanta, said that industries are looking for the men in colleges in the upper third of the class; they are willing to pay such men and put them in training for one, two and three years. He said he is interested in getting the "career type of life insurance man who will do a fine service and reflect credit upon the business."

"We must," he said, "do something about the college man; we must provide a place for him in our business. Industry has the best of it now. We should be willing to spend money to get results; it may mean a revamping of our plan."

C. A. Moore, Aetna Life, Oakland, Cal., said it is not difficult to impress men with the fact of life insurance as a career; what deters men from entering the business is their established living budgets. They are unwilling to trim their budgets to correspond to what insurance has to offer in the way of immediate income.

J. H. Reese said there are very few young men anywhere that can earn \$175 during their first few years. An insurance man, he said, has an opportunity to become a factor in his community, he is an independent contractor, and his future depends upon his ability to build prestige.

Of the six leading men in his agency, he said four went to him directly from college. Mr. Reese said he approaches the men he wants in their sophomore years. "Can we sell it as a profession and a career rather than merely as a job? That is the answer to the competition of \$150 and a car," he declared.

### Reclamation Is Difficult

"If college men go into other lines, can they ever be reclaimed for us?" inquired Millard Orr, Massachusetts Mutual, Philadelphia.

Mr. Holcombe responded by referring to a class of 300 college graduates. At the outset one was in insurance. Today there are a dozen insurance men among the group. They are the ones who failed in other jobs. They are college graduates but they are not of the type that the managers are seeking. "If we want to get a fair share of able young men," he asserted, "we can't let other corporations hire them first. We are hiring their failures. We have to start early."

Eric Johnson said that the business must pay young men at the start, but

it must also stress what is on the horizon after they have been in the business five or 10 years. In other industries, he said, hordes of men are making but \$225 after 10 years. He said he recently was in charge of raising funds for a chapter house for his fraternity. The first four contributions amounting to \$1,000 were from insurance men.

Mr. Johnson last year talked to the fathers of three college graduates who were apathetic about entering the business. The fathers saw what was on the horizon and the fathers induced the boys to sign up.

The afternoon session started off with discussion of an old favorite—financing.

### Should Raise Sights

C. W. Wyatt contended that if the agency has done a good job of recruiting, it can get men who can carry on without financing. Occasionally, he declared, a good man is found who needs financing, however. The general agent, he said, will find that if he conducts his search upon higher levels he will be less likely to encounter men who need financing.

Mr. Wyatt said he makes an intelligent presentation to men in his agency of the type of recruit that is wanted and the best prospects are derived through the old organization.

Millard Orr said he has found that men who don't need financing merely because their wives have jobs are poor material. They are not impelled by the same economic necessity that motivates men who are the sole breadwinners in the family. He said that he has financed each of the 20 men that he has recruited in the past five years.

J. H. Reese said the question of financing reduces to a cost analysis problem.

### Every New Man Is Financed

Mr. Holcombe said every one entering the business is financed—either by the life insurance business, by his own savings, by wife or father or friend. That is true because of the peculiarity of insurance with its deferred results and deferred remuneration. Rarely is a man able to make enough to live on at first. He has to be financed from some source.

James Rutherford, Penn Mutual, Des Moines, said with one or two exceptions all of the managers in his city finance new men. One of the exceptions, he said, is an agency that has a back door as wide as the front door. Those that are holding their men are doing financing in one way or another and for one period or another.

Mr. Holcombe said that the fathers can be induced to finance their sons if a showing can be made of a successful record in the agency. However, in general, the record is not encouraging.

Mr. Holcombe revealed for the first time the results of a study that had been made of a group of 818 full time men that were brought into the business five years ago. Reduced to percentages, 49 percent remained one year; 27 two years, 19 three years, 13 four years and 11 five years. The group that survived the full five years had an average production the first year of

\$70,000; second year \$84,000; third, \$96,000; fourth, \$95,000; fifth \$85,000.

The survivors actually numbered 86. Of that number 24 in their fifth year had a production of \$100,000 or better; 25 produced in the \$50-100,000 bracket, and 37 sold less than \$50,000. The encouraging fact from the study is that it indicates that the top men do tend to respond to the effort of the manager, that they continued to improve during each of the 20 quarters of the period under scrutiny.

Mr. Rutherford inquired whether the study did not indicate that a man's probable future annual production was not four times the production during his first three months in the business. Mr. Holcombe said apparently the study does so indicate.

Mr. Holcombe said that apparently a man falls into a classification at the end of three months and that he doesn't depart from that group thereafter. He said it is unfair not to tell men who are in the lower classes, at the end of six or nine months that their prospects are slim.

Mr. Orr expressed the belief that many of the hangers on in life insurance would be worse off in other fields; that many men remain in insurance work because their chances elsewhere would be even poorer.

### Prediction Values By Age

Mr. Holcombe said the bureau is now accumulating records in an effort to find some prediction values according to the age of the recruits. If such a formula can be ascertained it can be used in connection with the aptitude index which takes account of characteristics.

W. H. Andrews, Jr., Jefferson Standard, Greensboro, posed the question of the advisability of hiring and financing a man more than 30 years of age who has been in other business 10 years or more.

J. H. Reese said that such men usually have a family and their obligations are so high that the probability of bringing a return in life insurance is slim. Mr. Reese said he restricts his financing to men in the age group 23-30. Their standard of living is lower.

E. T. Proctor declared that he would not hire a young single man in whom he would not be willing to make an investment. He won't take any man with wife and family that has to be financed in full. "If he has had previous business experience and has nothing to draw on he won't draw on me," Mr. Proctor remarked.

An older man, Mr. Holcombe observed, has proved either that he can or cannot earn and save. If he can't earn and save, then he said Mr. Proctor won't finance him.

### Younger Men Slower Starters

Mr. Rutherford asked whether the manager can safely judge within three months the potentialities of a man just out of college.

Younger men, Mr. Holcombe replied, tend to start slower and will record a slower rise.

Isadore Samuels said that some men are good earners but can't save. He said he wouldn't eliminate such men.

Mr. Orr said, insofar as older men are concerned, he always seeks to ascertain why that man is available. Some men are out of work through no fault of their own. If their spirit is not dampened; if their past experience hasn't impaired their prestige, financing may prove successful.

Mr. Proctor remarked that there are exceptions but said: "It is fighting tough odds."

W. M. Houze, John Hancock, Chicago, in most positive fashion, said that he looks for a man with ambition. "I don't care whether he is educated or not. I don't care how old he is just

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A Complete Real Estate Service

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**The Wm. J. Van Aken  
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**TEXAS****R. H. GAMBLE COMPANY  
REALTORS**

Kirby Building  
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Specializing in

Business Property—Industrials—Factory  
Sites—Leases—Loans  
Complete Property Management Service

**WEST & WHEELER  
REALTORS**

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Complete Real Estate Service  
For the past 40 Years

Entire 2nd Floor, Marion Bldg.  
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## PROPERTY MANAGEMENT — DIRECTORY —

• The property management firms whose names are shown on this page have been selected after careful investigation. They have the recommendation and endorsement of The National Underwriter.

### WISCONSIN

#### ELDON B. RUSSELL and ASSOC.

LOANS  
PROPERTY MANAGEMENT  
APPRAISALS  
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Experienced Insurance Activities

Tenney Bldg.  
MADISON, WIS.

Accident and health sales up 8 percent. Get on handwagon. Send \$1 for six months' subscription to Accident & Health Review, 175 W. Jackson Blvd., Chicago.

so he is out of college long enough to have some sense knocked into him. If he is ambitious I can tell in three months whether he is any good."

A. E. Patterson, vice-president of Penn Mutual, was introduced and took a bow.

Graham Wells of New York recalled that the late E. A. Woods of Pittsburgh followed the practice of giving likely looking young men office jobs and then got them into selling later. He asked whether the industrial companies haven't solved the problem by assigning men to debits.

H. W. Indell, Metropolitan Life, Atlanta, said his requirements are fairly stiff. The man must be within a certain age group; he must have a certain financial standing; he must give a \$250 cash bond; must own a car. Sixty percent of the men that he has hired, he said, have had two or more years of college. A selection procedure is employed, embracing psychological tests. There is turnover of only about 5 percent a year.

Frederick Schnell said that in five years he has hired 15 men just out of college. The successful men are those that were leaders in college. He doesn't

make his approach through the placement bureaus. "That," he said, "is where everyone else goes." Twelve of the men are still with him, he said.

Mr. Proctor said that each year he gives a life insurance talk to a class of about 30 juniors and seniors in the department of economics of a college. He usually gets conferences with about six students following the lecture. The teachers, he said, are glad to have some outsider address their classes. It introduces a new viewpoint.

Eric Johnson said he stays away from the placement bureau of the University of Pittsburgh. He works through some of the professors and one of the deans. In this way he is able to get interviews with the best men in the college.

"But," Mr. Holcombe remarked, "we have to crack these placement bureaus. The placement officers are steering boys away from insurance."

W. W. Hartshorn, Metropolitan Life, Hartford, said the reputation of the agency has much to do with recruiting. Men don't like to play with losing teams. He said men go with Eric Johnson because he is successful. "It is not enough to wave a magic wand and say merely I am in the life insurance

business. Life insurance selling has an unsavory reputation. It is up to us as managers to see that we as managers do a good job to be sure that men will want to join us."

James Rutherford said he has found the center of influence method the most effective in recruiting college men. The first graduate of a college is the hardest to get, but if he is signed up and succeeds, he becomes a center of influence. He said he has a Drake University graduate in his office who recruits men from Drake; another from Grinnell College, another from Simpson. "You have to be careful on the first bet. If he's a failure it is almost impossible to get others."

### L. O. M. A. Institute to Conduct Examinations

For the annual examinations conducted by the L. O. M. A. Institute, the educational department of the Life Office Management Association, which will be held May 6-10, four courses of study are available. Course I, "Principles of Life Insurance," consists of four examinations, upon the successful completion of which students receive a certificate. Course II, "Advanced Life Insurance," embraces six examinations covering advanced aspects of the life insurance business, and is designed primarily for the home office personnel. Course IIA, "Field Agency Office Management," is constructed to meet the educational needs of agency office employees. Upon successful completion of Course I and Course II or IIA, students receive a diploma and designation as "Associates of the L. O. M. A. Institute." Associates are eligible to enroll for Course III in which students are required to pass an elective and a required minor examination, one of which must be office management, and an elective major examination which may be office management, life insurance accounting, life insurance investments, home office agency, selection of risks, or accident and health insurance. In addition to the examination requirements of Course III, students are required to submit a satisfactory thesis on a subject related to the field of work in which they have elected to write their major examination. Completion of all Course III requirements qualifies a student for the designation of fellow of the Life Office Management Association Institute.

### State Life Agency Leader

The State Life of Indiana announces that the California agency headed all its agencies for March business written, and also produced the winner of individual honors for the month, E. L. Buchanan of San Francisco.

Mr. Buchanan, a well known California insurance man, had the greatest month of his career to date, writing at a rate of well over \$2,000,000 per year. He doubled his production figure for March of last year and exceeded his February, 1940, total by a wide margin. He wrote 132 applications in March, two more than he has ever written in a single month before. His district agency also had an outstanding successful month, topping its previous banner month by better than 25 percent.

## Title Insurance Companies

• The title insurance firms whose cards are shown on this page have been selected after careful investigation. They have the recommendation and endorsement of The National Underwriter.

### CALIFORNIA

Title Insurance—Escrows—Trusts

#### Title Guarantee & Trust Co.

Incorporated October 28, 1895

Title Guarantee Building  
Hill at Fifth Street  
Los Angeles, California

### COLORADO

#### THE TITLE GUARANTY COMPANY

H. Elliott Houston, Pres. Aksel Nielsen, Exec. V. P.  
"Home of Landon Abstracts"

Titles insured thruout Colorado.  
Escrow Service—Loans—  
Abstracts

1500 Court Place—Denver

### OREGON

Over \$700,000 Capital & Surplus

#### TITLE INSURANCE

ESCROWS

LOANS

ABSTRACTS

COMPLETE RECORDS

Correspondents New York Life

#### COMMONWEALTH, INC.

415 S. W. Sixth Street

Portland, Ore.

### MISSOURI

#### KANSAS CITY TITLE AND TRUST COMPANY KANSAS CITY, MISSOURI

Complete Title Service  
for the Greater Kansas City area

NATIONAL TITLE DEPARTMENT

### UTAH

#### INTERMOUNTAIN TITLE GUARANTY COMPANY TITLE INSURANCE

Operates in Utah, Idaho and California. Policies accepted by Supt. of Insurance of the State of New York.

Home Office:

809 First National Bank Building  
Salt Lake City, Utah

#### Specify TITLE PROTECTION

From the  
LARGEST, MOST COMPLETE  
TITLE COMPANY IN THE WEST  
(Capital and surplus over \$10,000,000.00)

#### TITLE INSURANCE and TRUST COMPANY

439 South Spring Street, Los Angeles  
Other Offices: Santa Barbara, San Luis Obispo,  
Ventura, San Diego, Visalia, Bakersfield, Riverside.

San Diego's oldest and largest  
title insurance company

#### Union Title Insurance and Trust Company

SECOND AVENUE  
AT BROADWAY  
SAN DIEGO  
JAMES D. FORWARD  
PRESIDENT  
CALIFORNIA

Complete title, escrow and  
trust services.

### WASHINGTON

#### WASHINGTON TITLE INSURANCE CO.

Capital \$1,350,000.00

803 Second Avenue

SEATTLE, WASHINGTON

Statewide Title Service

### OKLAHOMA

#### AMERICAN FIRST TRUST CO.

First National Bldg.  
Oklahoma City, Okla.

#### STATE-WIDE TITLE INSURANCE

Under Supervision of State Bank  
Commissioner

#### CITY TITLE INSURANCE COMPANY

68 Sutter Street

Complete Title Service  
San Francisco, Cal.

#### PURE PROTECTION LOW COST LIFE INSURANCE

Ordinary, Whole Life Policy Without  
Investment Features.

Life Insurance in itself is inexpensive.

We have many other unusual, money  
saving POLICIES that are worth  
investigating. Write for particulars.

Interstate Reserve  
Life Insurance Company  
Ten East Pearson Street, Chicago

Please Mention  
The National Underwriter  
when Writing to  
Advertisers



## LEGAL RESERVE FRATERNALS

### Definite Sales Plan for Fraternal Week

In promoting National Fraternal Life Insurance Week, May 12-18, many organizations are planning to take advantage of the plan of having each field worker aim to make out a list of 50 new prospective members during the first 18 days of May and to sell at least five new certificates in that time. The program provides fraternal field men with a definite sales objective.

The fraternal week promotional program centers around the ship, "Financial Security-Friendship," with an invitation to prospects to "Ride the storm with fraternal life insurance." To tie in with this theme a special "log book" is provided for field workers in which they can list the names of their 50 new prospects. Space is provided for the name and address of the prospect and notations for the date pre-approach letter was sent, date of call and the result.

It is being suggested that the field workers send each of their prospects a pre-approach letter before they call during the first 18 days of May. The letter follows:

"Dear Neighbor:

"Now is your opportunity to see that your ship will come in safe and sound with all your hopes and ambitions for the future realized.

"But before your ship will come in you have to send one out. You have to chart its course and send out a sea-worthy vessel which will ride the storm.

"This month we are observing National Fraternal Life Insurance Week and my organization has asked me to call on you to explain how we can aid you in charting your course.

"You need friends to be happy.

"You need financial security to be happy.

"So you'll be interested in learning how we combine financial security and friendship in aiding you to ride the storm.

"Yours very truly."

The letter is to be sent on the special

two-color National Fraternal Life Insurance Week stationery, which is printed on buff bond paper in red and blue.

### Nebraska Leaders in 1939 Returns Are Given

The Nebraska fraternalists wrote in their home state last year \$1,558,155 new business and have in force \$15,171,306. The Woodmen of the World led with \$1,115,698 new business and has \$10,209,568 in force. The outside fraternalists wrote in new business \$10,135,870 and have \$99,935,068 in force. The leaders in new business, or those writing over \$200,000 are the Aid Association for Lutherans with \$742,424 adult and \$202,250 juvenile; Catholic Workmen of New Prague, Minn., \$246,350 adult and \$67,472 juvenile; Degree of Honor Protective of St. Paul, \$227,750 adult and \$66,000 juvenile; Knights of Columbus, \$234,300; Maccabees, \$435,359; Modern Woodmen, \$1,912,938 adult and \$378,500 juvenile; Royal Neighbors, \$705,363 adult and \$341,364 juvenile; Security Benefit, Topeka, \$242,795 adult and \$86,184 juvenile; Western Bohemian Fraternal, Cedar Rapids, \$447,596 adult and \$174,650 juvenile.

### Julien Named Grand Treasurer

E. E. Julien, Galena, Kan., was appointed to fill the unexpired term of grand treasurer of A.O.U.W. of Kansas due to the death of W. J. Watson. Mr. Julien has been financial recorder of Galena lodge No. 9 and chairman of the good of the order committee.

### Newberry Visitor in Chicago

Farrar Newberry, secretary Woodmen of the World, Omaha, was in Chicago this week conferring with Executive Secretary-Manager Foster F. Farrell of the N. F. C.

### Sansom Now Wisconsin Manager

MILWAUKEE — Kenneth Sansom, assistant to John E. Little, actuary and director of field work Maccabees, De-

troit, is assigned to Milwaukee as state manager. He succeeds Evans Houtz, former state manager, who was transferred to California. Mr. Sansom has been associated with the fraternal since 1934. His state headquarters are at 757 North Broadway.

## RECORDS

**Indianapolis Life**—Insurance in force increased the first quarter until it now exceeds \$112,000,000. The gain for the quarter showed a substantial increase over the same period of 1939. New business for the year is also running well ahead of the first quarter of 1939. Indiana has shown a larger proportionate increase than any other state. The five leading states are Indiana, Texas, Illinois, Ohio and Michigan.

**Capitol Life, Colo.**—Gains of 24 percent for January, 47 percent for February, 34 percent for March, with a 35 percent gain for the entire quarter, as compared with the same months of 1939, are recorded. The increase is well distributed throughout the territory, and from agents who have been with the company for more than a year.

**Jefferson Standard**—New sales for the first quarter totaled \$11,094,000. Insurance in force increased during the period to \$406,300,000. Managers of the 45 branch offices, which serve 26 states, the District of Columbia and Puerto Rico, report generally good business conditions.

**Postal Union Life**—Paid business by agents in March was the greatest of any month in history, the total passing the \$750,000 mark.

**Bankers Life, Ia.**—E. G. Bryant of Spokane, Wash., led in production in March on cash collections on first year premiums. The W. K. Niemann agency of Des Moines topped the agencies with \$294,100 business.

**Pilot Life**—As a testimonial to President Emory C. Green, the agents produced during March, his birth month, the largest volume of business in the company's history. The production exceeded \$5,300,000, which was 18 percent more than the amount sold in March of last year.

The theme of the ordinary department campaign, which was managed by J. M. Waddell, vice-president and agency manager, was "Vote for President Green in March," and was tied in with the national presidential election. More than \$3,000,000 of ordinary was received, which was the largest volume in any one month in history.

The volume to date for both ordinary and industrial is far in excess of that for the first three months of 1939.

In a drive during the first week of the campaign production was \$1,752,294, the largest volume ever produced in any one week.

During the campaign there was organized the "President's Club" to be comprised of those who sold \$41,000 or more of ordinary in March. Twenty-six qualified and were guests at a dinner for Mr. Green Monday.

**Equitable Life, Iowa**—It reports a gain in paid business for March of \$732,415, or 16 percent over the paid business volume secured in March, 1939. Total paid production for March was \$5,323,966. Total for the year to date is \$12,193,360. The St. Louis agency, C. M. Vaughan, general agent, led all in production. Second production honors went to Kansas City, H. A. Hedges, general agent. Other leading agencies included, P. B. Rice, general agent Harrisburg, Pa.; Cleveland, O. G. Welsh, general agent, and Kokomo, L. T. Boyd, general agent. B. M. Fuller of the Los Angeles agency was the leading personal producer.

**Security Mutual, N. Y.**—Paid business for the first quarter was 16 percent ahead of the comparable 1939 figure. The March business gain was 24 percent over March, 1939, and new business applica-

tions were 20 percent ahead in number. Gains in insurance in force were equivalent to 52 percent of the gain for the full year 1939.

The agency which increased its first quarter business by the greatest percentage over the quota assigned was the Samuel Berman agency in New York City.

### Reliance Life Contest Winners

Prize winners in the March contest of Reliance Life were led by F. T. McElreath, Wadley, Ga., life volume; W. R. Harper, Sr., St. Louis, number of sales averaging \$2,000 or more, and Henry Fine, Richmond, Va., accident and health premiums.

**Jack Wiseman, Franklin Life, St. Louis**—Increased paid business by \$304,927 in first quarter or 50 percent.



### "Five Pertinent Points . . ."

that make selling to Lutherans (a select prospect list) both profitable and easy for you:

1. Financial Strength
2. Low Net Cost
3. Low Mortality
4. Increasing Protection
5. Guarantee Clause

If you are interested in a secured selling future that will increase your income, address your letter to Superintendent of Agencies:

**LUTHERAN BROTHERHOOD**  
Legal Reserve Life Insurance  
Herman L. Ekern, President  
MINNEAPOLIS MINNESOTA

## THE PRAETORIANS

National Headquarters—Praetorian Building

DALLAS, TEXAS

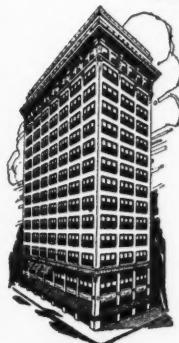
ORGANIZED—1898—OVER FORTY YEARS OF INSURANCE SERVICE

Issues FRATERNAL LEGAL RESERVE LIFE INSURANCE on standard forms, ages 0 to 60. Amounts \$200 to \$20,000.

Operates strictly on the LEGAL RESERVE PLAN. Realizing that it is the LEGAL RESERVE that puts the safety under policies regardless of whether the system is Stock, Mutual or Fraternal.

If it is LEGAL RESERVE, the strength is there.

Pays Seventeen Different Ways



Praetorian Building  
Dallas, Texas

## Gleaner Life Insurance Society

Detroit, Mich.

Founded 1894

Legal Reserve Life Insurance for men, women and children from birth to age 65. Operating in Michigan, Ohio, Indiana & Illinois.

H. H. Hackett, Pres.

R. M. Norrington, Field Supt.

The  
**A. O. U. W.**  
of North Dakota

THE PIONEER OF FRATERNAL  
LEGAL RESERVE SOCIETIES

Provides All Popular Forms of  
Life and Disability Insurance

A True Fraternal and a Mutual  
Life Insurance Association

Home Office—Fargo, N. D.

## THE WOMAN'S BENEFIT ASSOCIATION

Founded 1892

A Legal Reserve Fraternal Benefit Society

Bina West Miller, Supreme President  
Frances D. Partridge, Supreme Secretary  
Port Huron, Michigan

## State Presidents Hold Conference

(CONTINUED FROM PAGE 3)

by Wilbur W. Hartshorn, Metropolitan Life, Hartford, vice-president of the Connecticut state association. Underwriters residing in communities where there is no local association, are given the privilege of joining the nearest one, and are charged a reduced membership fee, which is divided between the local association the new member selects and the state association. This plan has given the Connecticut associations 76 additional members with many more in prospect.

### Publicity Methods Discussed

Publicity for state and local associations was discussed by Edward Krueger, State Life of Indianapolis. He emphasized that the association which gets the most publicity is the one that enters into the greater activity and carries out the more creative programs. He related how the Indianapolis and Indiana associations had obtained much publicity in the newspapers and by other means, through making their releases carry elements of human interest, and by assisting the reporters and editors in every way possible, even furnishing cuts of pictures and fully prepared stories.

Mr. Krueger pointed out that publicity carried on by local and state associations not only brings the general public a favorable impression of the life business, but can result in attracting the attention of agents and interesting them in joining the association. Mr. Krueger has had charge of the Indianapolis publicity work, and is given credit far and wide for the fine results obtained.

### H. C. Lawrence in Charge

Howard C. Lawrence, Lincoln National, Newark, president of the New Jersey state association, and cochairman of the state presidents' conference, took charge of the meeting in the afternoon. The first thing taken up was how to proceed to safeguard the interest of the insurance business in the matter of state legislation, and some comment on the subject was given by H. B. Thompson of Detroit, counsel for the Michigan state association. He represented C. A. Macauley of Detroit, chairman of the subcommittee on legislation for the NALU, who was unable to attend.

Mr. Thompson advised the state presidents to use every effort to obtain and keep up contact with legislators, and to be just as diligent about it in off years as in legislative years. He advised the compilation of a complete roster of legislators, and the designation of some neighbor of each man to get as close to him as possible, and put him in touch with the association leaders who can explain matters to him when he is confronted with insurance legislation.

### Legislative Work Divided

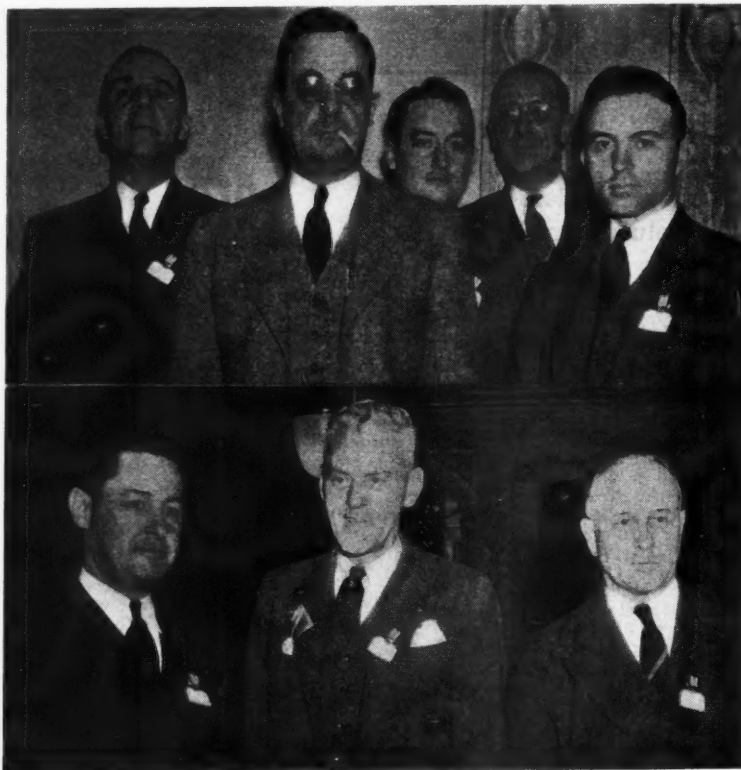
The legislative committee has divided the country into six districts and has designated individuals to carry out certain parts of its program of compiling the legislative directory. There is a complete compilation of data for a number of states already, including most of the southern states.

Mr. Lawrence, switching the discussion to the matter of educating the life underwriter, gave a talk on that subject.

Jefferson Standard is unsurpassed in size and growth by any company founded since we began business in 1907.

**JEFFERSON STANDARD**  
LIFE INSURANCE COMPANY

HOME OFFICE • GREENSBORO, N. C.



At National association meeting in Atlanta. Top row—Group of Shenandoah Life representatives from Knoxville: George N. Nelson, H. M. Waters, R. L. Cook, R. E. Burkhart and G. K. Myers.

Bottom row—James Rutherford, Penn Mutual, Des Moines; A. L. Johnson, Sun Life, Jacksonville, Fla.; W. S. Creighton, New York Life, president Minneapolis association.

The main recommendations he had to offer were that the local associations should sponsor the C. L. U. courses, that local bodies should organize seminars, that seminars can be made helpful and available to even the smaller communities, and that the sales congress of the more pretentious size falls within the province of the state association. He agreed that the underwriters must be educated on the value of the association through publicity about its activities.

### Work Being Done in Missouri

Education of the public about life insurance is a problem now on its way to solution in Missouri, according to a description of the work being done in that state, by Jess W. Moore, Mutual Life, Springfield, president of the Missouri state association. The work has been in charge of W. L. Coonrod, Northwestern National, Springfield, who has been an outstanding underwriter and educator for many years.

Mr. Coonrod's committee has arranged for nearly 200 lectures in high schools throughout the state, and the moving pictures, "Yours Truly, Ed Graham," and "American Portrait," have been shown widely. The local associations take care of local arrangements under the Missouri plan.

### Witherspoon Offers Suggestions

Paul Otto, Connecticut Mutual, Davenport, president of the Iowa association, gave a description of the methods used by the state association in the conduct of sales congresses at different cities in Iowa. Four regional congresses will be held this year, with a grand finale congress at the annual convention. The state association makes programs for all congresses, the local association arranges for the meeting places and obtains the advance publicity. Notices of congresses go out to all licensed agents, whether members or not, but nonmembers are made to pay a little more than members, to emphasize that there is advantage in belonging to the organization. Whenever the proceeds from the congress exceed the costs the excess is divided between the local and state associations,

but wherever there is a deficit the state association defrays it.

J. A. Witherspoon, John Hancock, Nashville, trustee of the N. A. L. U. and chairman of the managers and general agents section, had been asked by Chairman Douglas of the state presidents to offer some suggestions. Mr. Witherspoon told the presidents there are now 98 managers and general agents associations, and that these bodies form a compact section, directly under the wing of the NALU. Formerly the managers and general agents had held their meetings just before the national convention, somewhat as an "orphan brigade," but since the gatherings have become of much importance, the managers and general agents now form a full fledged section of the national organization. Mr. Witherspoon advocated special meetings and programs for the managers and general agents at the annual conventions of state associations.

### Financing State Bodies

Earl Colborn, Connecticut Mutual, Rochester, N. Y., followed Mr. Witherspoon with a talk on financing state associations. A recent survey by his committee showed that state associations collect dues from each local association member in various amounts. One state has dues of only 10 cents per member. Six charge 25 cents, and three of these advised the chairman they plan to increase to 50 cents. Sixteen already charge 50 cents, seven get \$1 per member, and one charges \$2. Most of the state associations have incomes from sources other than dues, and usually are able to obtain emergency funds for special purposes. Mr. Colborn advised that the state association's financial setup should be related to its functions and that all should go on a budget plan.

Mr. Lawrence turned over the meeting to Mr. Douglas again, and the latter presented C. J. Zimmerman of Chicago, president of the N. A. L. U., who congratulated the conference and pledged the state presidents every possible cooperation from his office. He declared he sees the need for strong state associations and said the trustees are studying

## Centralization of Power Dangerous

(CONTINUED FROM PAGE 3)

checks and balances be preserved. He declared that is one of the most important characteristics of the system of supervision of life insurance by the several states.

"Federal supervision would be simply a part of the whole dangerous movement toward centralization of economic power in the hands of the political government," he went on. "If Washington should get control of the investment of life insurance funds, a long step toward a totalitarian setup would have been taken.

### May First Appear Harmless

"It is most unlikely that the initial proposals for the federal government to inject itself into the life insurance picture would appear drastic or immediately dangerous. Those interested in this new centralization of power would probably proceed on the camel's-head-in-the-tent theory. The first proposals might appear to the uninitiated as quite harmless and reasonable. They might be directed at a limited sector of our business only on the theory that by so doing united opposition would be avoided. Hence it is important that we remain vigilant and realize that we stand or fall together.

"In connection with the TNEC hearings, there is a well founded, widespread feeling among those who know the life insurance business that the facts elicited have been biased and presented in such a manner that in many instances false conclusions will be arrived at by laymen who read the testimony. Nevertheless members of the TNEC keep insisting that all of the testimony is factual, strictly factual.

### Need Checks and Balances

"Although no one claims that the business of life insurance is perfect or that it cannot be improved, we do claim that it stands ace high in comparison with comparable human undertakings whether federally supervised or otherwise. We can also assert with confidence that improvements that may need to be made can be brought about under the system of supervision. Its checks and balances make for the wholesome growth of the institution of life insurance and its program of serving the American people. Furthermore, they prevent the dangerous concentration of power in a federal bureaucracy which would endanger the ultimate security of policyholders and give impetus to the trend toward dictatorship.

"These are stirring days and the obligation rests upon all of us to do everything in our power to preserve the sound American principle of free enterprise and a system of government with checks and balances adequate to assure continuance of the blessings of human freedom which form the cornerstone of this country's greatness."

the future possibilities of such bodies. Much of the future of the N. A. L. U. depends upon the state associations, he concluded.

### Can't Provide Cash Value

Life companies operating under the 1897 Indiana assessment act cannot issue policies with a cash surrender value, the Indiana supreme court has ruled. The court reversed a decision of superior court in Indianapolis, which enjoined the Indiana department from interference with the Church Members Relief Association.

W. P. Fogarty, San Antonio, Tex., agency supervisor O. P. Schnabel agency Jefferson Standard Life, received a \$50 award for completing seven consecutive years as a member of the "Appa-Week Club."



# Sales Ideas and Suggestions

## Economic Changes Create Money Making Opportunities

ATLANTA—At least once a year life insurance men should pause and take inventory, and mentally catalogue, index and correlate their knowledge so that they may gain fresh direction, a sharper viewpoint and revive the urge to see people and tell them the story of how life insurance will solve their most disturbing problems, Howard C. Lawrence, Newark general agent Lincoln National and president New Jersey Association of Life Underwriters, declared before the sales congress here in connection with the National association's mid-year meeting.

The sales congress drew an attendance of more than 400. A large number of leaders from out of the city who were in Atlanta for the meeting of the national council of the National Association of Life Underwriters the previous day attended. Presiding at the morning session was Russell Bridges, Provident Mutual, vice-president of the Atlanta association. Harry T. Wright, Equitable Society, Chicago, vice-president of the National association, gave some effective points in his talk, "Selling yourself on the idea of doing more business." Grant Taggart, California-Western States Life, Cowley, Wyo., national trustee, was the final speaker at the morning session on "Your Opportunity."

N. Baxter Maddox, Connecticut Mutual, Atlanta, president of the Georgia state association and chairman of the local convention committee, presided at the luncheon gathering. He introduced the national officers and trustees who were present. C. J. Zimmerman, Connecticut Mutual, Chicago, president of the National association, gave a word of greeting. Henry M. Powell, State Mutual Life, chairman of the publicity committee for the mid-year convention, presented to each of the officers and trustees a Stone Mountain half dollar.

W. Stanton Hale, Fidelity Mutual, president of the Atlanta Managers Club, presided at the afternoon session. Mr. Lawrence gave his talk and the final speaker was John W. Yates, Massachusetts Mutual Life, Los Angeles, who spoke in inspirational vein.

The everchanging social and economic structure is constantly presenting unusual and greater money making opportunities for the life insurance man of today, who is alert, has enterprise and knows his business, Mr. Lawrence pointed out.

Life insurance can be sold in every phase of the business cycle. It can be sold when business conditions are bad for then people need to replace assets which have been lost to their estates. It can be sold when business is flourishing for then people buy life insurance in anticipation of profits which will be made if they are permitted to live.

### Present New Set of Problems

However, rapidly changing conditions of the present day present an entirely new set of problems which need an entirely new set of solutions. There is no real shortage of money and there is no lessening of the need for life insurance, but there is a shortage of new ideas and of men who know how to make them work, men who will tackle the job confidently believing that it can be done.

"After we have taken inventory we are likely to discover that most of the knowledge we have is from the viewpoint of the agent or the company but we have entirely overlooked that important individual—the buyer. What does

the buyer of life insurance expect his life insurance man to know, what service does he expect him to render, on what matters would he seek a life underwriter's advice? In the last few years Mr. John Q. Public has become more life insurance conscious than ever before and hence has come to expect more and more of the man from whom he purchases his life insurance," Mr. Lawrence stated.

Prospects come from every walk of life, each one with a problem which is peculiar to his own particular station in society. What does the life underwriter have to know in order to serve this cross section of the public intelligently and efficiently, Mr. Lawrence asked.

### Problems Are Simple

In the lowest income group the problems of the individuals are very simple. They have never been accustomed to having much money, their standard of living is low, but they need to be taught the value of life insurance so that their dependents will not be burdens upon society and it is up to life insurance men to help the members of this group use life insurance in the solution of their problems. Therefore the underwriter must know why these men need life insurance and must have clearly fixed in his mind a sales presentation which would enable him to convince these small earners that they should provide a clean-up policy for their last illness and either a few years income for their dependents or, in the case of the office boy, a savings and investment plan for his future.

The sales presentation to this group must be as carefully prepared as one to be given to a man purchasing a \$10,000 or \$25,000 contract. It must be in simple language but it should contain all the elements designed to arouse curiosity and interest, lead naturally to a climax and should have sufficient motivation to consummate the sale.

The great middle class is represented by the family man, with a wife, one or two youngsters and a mortgage.

The life underwriter must know what this man's present and future problems will be. He must be able to look at the man's life in prospect, not in retrospect. He must know what his responsibilities to his family are today—10 years from now and to himself and wife in old age. He must know the pitfalls that will obstruct his progress. He must be able to size up this man's problems, reduce them to known quantities and provide a program showing graphically and logically how life insurance may be used as a solution.

### Bulk to Middle Group

Has this life underwriter schooled himself so that he has a well organized sales presentation which would enable him to do a good job for the representative of this second group? "It is especially important, inasmuch as the bulk of the business which we write will be sold to individuals in this group, that we carefully prepare the steps of the sale so that they will stand the acid test of logic and emotional appeal," Mr. Lawrence declared.

Then there is an individual in business, a sole proprietor. "Has the agent a standardized sales talk which he can use without hesitation and which will convince this proprietor that after all his business skill and his money really form a partnership and that it is equally as important that the human factor in this

partnership should be covered with insurance as it is to have his material assets covered with the various forms of property insurance? Has he the frame work of a sales talk around which he can build a story of why the legal partnership, composed of two or more men, should have business insurance protection? Can he present in a convincing manner, the need for business insurance in a corporation? Does he know the difference between business insurance for replacement purposes, business insurance for credit purposes and business insurance for stock purchase or retirement purposes? Can he show these officials why business life insurance is a vitally essential part of their corporate setup?"

### Must Present Subject Clearly

This underwriter should be prepared to present the subject of business life insurance clearly and convincingly for each of these types of businesses.

In considering the man of wealth, Mr. Lawrence said the agent must equip himself with a sufficient knowledge of fundamental tax savings methods so that he can advise this man how his estate should be rearranged so as to avoid all unnecessary taxation. He should establish favorable contacts with trust companies and tax attorneys so that the machinery of setting this man's financial house in order will run smoothly.

Although the average agent does not number many from this group in his prospect file, he can increase his income considerably if he knows something about this subject.

"These are the things which that composite public expects a life underwriter to know and as we analyze ourselves will we find that we are woefully deficient to serve this public. There are a lot of men who have been in life insurance many years who know very little more today about the selling than they did after they had been in the business a year. Isn't it a pity when we know we are going to be in this business for the rest of our lives that we do not do the necessary thinking which would enable us to plan, build, write and memorize sales talks which could be used for each one of these situations? Too often we would rather pay the price in lower incomes than make the necessary mental effort to equip ourselves for bigger things.

### Must Know Buying Power

"It is our task to know the buying power of the communities in which we operate so as to know where we should concentrate our sales efforts.

"Some one has said that the average man buys life insurance once every five

years. We can calculate from that, that one out of every five men buy life insurance every year. Now how many men do you know? If you only know 100 men then only 20 of them are going to buy life insurance during the coming 12 months. If they are in the low income brackets and their incomes are not in excess of \$2,000 a year then the total income of the 20 men will be \$40,000. If we assume that they are going to spend 10 percent of their income for life insurance, they are going to spend \$4,000 in the next 12 months. You have to sell everyone of the 20 in competition with all other life men so if you are going to make at least \$2,000 a year income, it is going to be necessary for you to broaden your field of prospects. In order to do this you must know sales presentations which will appeal to prospects in many different income brackets.

### How to Broaden Field

"The question is how are we going to broaden this field? To do this we must meet more worthwhile people, we must become active in organizations in our community and become community-minded. There are any number of ways which will cost us little or nothing, except a willingness to spend our time serving on committees that will enable us to know people better and be able to meet them on a favorable basis. Accept appointments on committees but here let me give a word of caution; if you are appointed on a committee leave no stone unturned to do a good job, for a job well done will earn you the respects and confidence of the people and the reputation of being a dependable underwriter.

"Now let us assume that you have broadened your acquaintance and have a file of 500 prospects in various groups. According to our formula 100 of these men are going to buy life insurance this year and if their average income is \$4,000 we have about \$40,000 (or 10 percent of \$400,000) which will be spent for life insurance premiums and in competition with all other life insurance men we may be able to corral \$10,000 of these premiums for our own account which amounts to \$5,000 in commissions and an ever increasing prestige among more prospects.

"To be sure, the degrees of technique in selling, for selling is really an art, will determine how effective you are in your work, but you can't develop technique unless you have first set up the frame work for your sales story. Then perseverance, practice and keeping everlastingly at it will smooth out the crude spots so that you will feel at home in the presence of any type of prospect. You will be the master of your subject and will guide and direct the interview to the desired end," Mr. Lawrence declared.

## Salient Points in Selling from New York City Congress

NEW YORK—Finding out what the prospect is thinking is a cardinal rule in selling, whether it's buggies, radio sets or life insurance, H. B. Brown, national merchandising manager, Philadelphia Philco Radio & Television Corp., told members of the New York City Life Underwriters Association at their annual sales congress. Unlike most of the other speakers, Mr. Brown gave out nothing that agents could carry out whole and use unchanged on the next prospect but he did emphasize the necessity of not putting on an effective sales presentation but also of looking for those easily overlooked signs that tell

which way the prospect is leaning and what part of the sales stalk he is most interested in.

### Point from Selling Buggies

As an instance, Mr. Brown told of selling buggies to farmers. The salesman would leaf through the buggy catalogue with his prospect, all the time watching him out of the corner of his eye. The farmer might appear uninterested but somewhere in the perusal his head would jerk forward slightly and the salesman would know which one out of the numerous vehicles had really captured the prospect's fancy. Never-

theless the salesman would keep right on going through the book, giving no sign that he had perceived anything.

Then he would inform the farmer that the company had one special buggy on which it tried to outdo itself in giving the buyer his money's worth, taking practically no profit. This, of course, would always be the particular buggy which had succeeded in bringing the prospect's reflexes into play. Then there would be a little sales talk about the company's wanting to place this carriage in the hands of influential people in the community like Mr. Prospect.

#### Subtlety in Questions

Mr. Brown said it is easy to ferret out desired information by putting the question in such a way that the prospect does not even suspect that they are questions. For example, in checking up on the prospect's credit standing the salesman may say casually, "I suppose a lot of people around here own their own homes, or do you find it is cheaper to pay rent?"

L. E. Simon, general agent Massachusetts Mutual Life, told of a competitive case in which an agent was trying to get a policyholder to drop a large line of insurance, of which \$100,000 was in the Massachusetts Mutual. It was obvious that the prospect was influenced considerably by the fancy patriotic name of the proposed policy, which was of the term expectancy type. Going along with his agent, Mr. Simon suggested to the policyholder that he might prefer the Massachusetts Mutual's "Old Glory" policy, or perhaps the "Columbia, Gem of the Ocean," or the "Stars and Stripes Forever," which was the best policy of all.

The prospect, who was a hardboiled individual, whirled around and asked angrily, "What are you trying to do, kid me?"

"No," Mr. Simon responded, "but you want a name so why not get a good one?" The policyholder saw the point dropped the twisting idea and since then bought \$300,000 additional insurance in the Massachusetts Mutual.

Paul Troth, Jr., assistant editor "Eastern Underwriter," told of sales ideas that had appealed to him as a prospect. With a few deft strokes, he drew humorous sketches to illustrate his points.

#### Planned Prospecting and Approach Is Explained

COLUMBUS, O. — In a study of methods used by its most successful agents the Metropolitan Life came to the conclusion that a planned and organized method of prospecting and presentation should be adopted for all field men. C. L. Burden, Metropolitan Life educational supervisor, said at the cen-



Snapped at mid-year meeting of National Association of Life Underwriters at Atlanta. Top row: R. T. Taylor, Southeastern Life, Durham, N. C.; E. L. Tilley, Life & Casualty, Durham; J. S. Babb, Equitable Society, president Durham association. Second row—Ralph Hoyer, John Hancock, Columbus, O.; Graham Wells, United States Life, New York. Third row—John A. Nixon, manager home office agency; Price R. Cross, assistant secretary, and P. E. Allen, agency supervisor Southern Life of Atlanta.

tral Ohio sales congress here in a talk on "Planned Selling."

A prospecting plan was developed centered upon three sources: 1. Present satisfied clients; 2. Centers of influence; 3. The endless chain.

The planned presentation consists of a series of questions to determine the prospect's needs for insurance and his ability to pay for the same.

The method of approach is based on five steps: 1. Questions of interest to the prospect; 2. The bringing out of the prospect's needs; 3. Intensification and clarification of these needs; 4. Introduction of the price and his ability to meet the same; 5. Confirmation questions to enable the salesman to determine and sound out the prospect's reactions.

Organized answers were developed to meet the usual objections. The standard practice in closing is to ask the customer his full name and then ask him to "sign right here, please. You want these plans and benefits to go into effect right now, don't you?"

With Cliff Hall of Port Arthur as president, a "Two Million Dollar Club" has been organized by field men of the Volunteer State Life in Texas with that amount for their 1940 production goal.

#### Divergence Seen in Company Practice

(CONTINUED FROM PAGE 6)

the business. Another pays half the fee but without provision for reimbursement.

Aetna Life, National of Vermont and Connecticut Mutual are among those paying the fee in full. Penn Mutual refunds the fee as soon as the agent pays for \$25,000. Connecticut General Life does not pay the fee. Fidelity Mutual refunds the fee to the agent if he writes \$10,000 within a year of being licensed and as soon as the full annual premiums on that amount have been received.

The Northwestern Mutual home office does not pay the expense of the fee. However, in New York City one general agency pays the fee, another does not. The State Mutual Life leaves it up to the general agent whether he will finance the fee for his agents.

New England Mutual, Massachusetts Mutual and Union Central do not contemplate the agent's paying the fee himself. Phoenix Mutual reimburses the

agent if he passes the examination. John Hancock pays for full-time agents but not for brokers. New agents of the Travelers are expected to pay the fee themselves.

There is quite a divergence of views as well as of practices on the payment of fees. Some general agents feel that the \$5 examination fee is a personal expense of the new agent incidental to his getting into business and that he should meet it himself. Also, there have been cases where a company or agency has put up \$5 fee with the state in advance, as is required, only to have the candidate decide against going into the life insurance business. There is no provision for the return of fees in such cases, outside of an act of the legislature.

Those in favor of paying the fee for the agent, even if the general agent has to do it out of his own pocket, point out that if a new man is being brought in, the agency certainly should not balk at putting up the examination fee. Said the production manager of one leading agency:

"If we aren't willing to back our judgment to the extent of a \$5 examination fee, we are not going to inspire very much confidence in the new man. And I think that arrangements under which the fee is refunded if the agent writes a certain amount of business have an even worse psychological effect, for they give the new man the idea that it is highly problematical whether he succeeds or not."

#### Big Increase in Candidates

The second of the bi-monthly examinations, held last week, drew more than twice as many candidates for life insurance licenses as the first tests conducted in February. Four hundred and three persons took the examination this month as against about 120 in February. The increase was particularly noticeable upstate, 123 persons taking the test as against only 30 in February. Of the total of 403 candidates, 280 took the examinations in New York City.

Well qualified persons who took the latest examination pronounced it searching but fair, an opinion which checked closely with that given by those who took the February tests. Since it is not possible to obtain copies of the examinations it is difficult to judge how it compared with the first one. The general opinion seems to be that it was about on a par and perhaps slightly more difficult.

#### National. Iowa, in New Home

DES MOINES.—National Life of Des Moines has now moved its home office to new quarters in the Hubbel building. For 20 years it had been located at 114 Eleventh street. General offices occupy the tenth floor which was remodeled. Additional space on another floor houses printing, supply and other departments. Sound-deadening floors and ceilings, a system of indirect lighting, and air-conditioning were installed. A reception will be held Monday afternoon and evening.

#### Will Address New York Group

C. J. Zimmerman, general agent Connecticut Mutual Life, Chicago, will address the April 25 luncheon meeting of the New York City Life Underwriters Association on "Today and Tomorrow."

Chester W. McNeill, vice-president in charge of the newly created accident and health department of Union Mutual Life of Maine, has returned from a four weeks' agency trip through most of the states in which the company operates. He reports that the former Massachusetts Accident agents are enthusiastic about the new connection and are looking forward to stimulated production. Mr. McNeill reports that the managers of the life department offices all feel that the privilege of selling accident and health in the same company will be of great assistance to them.

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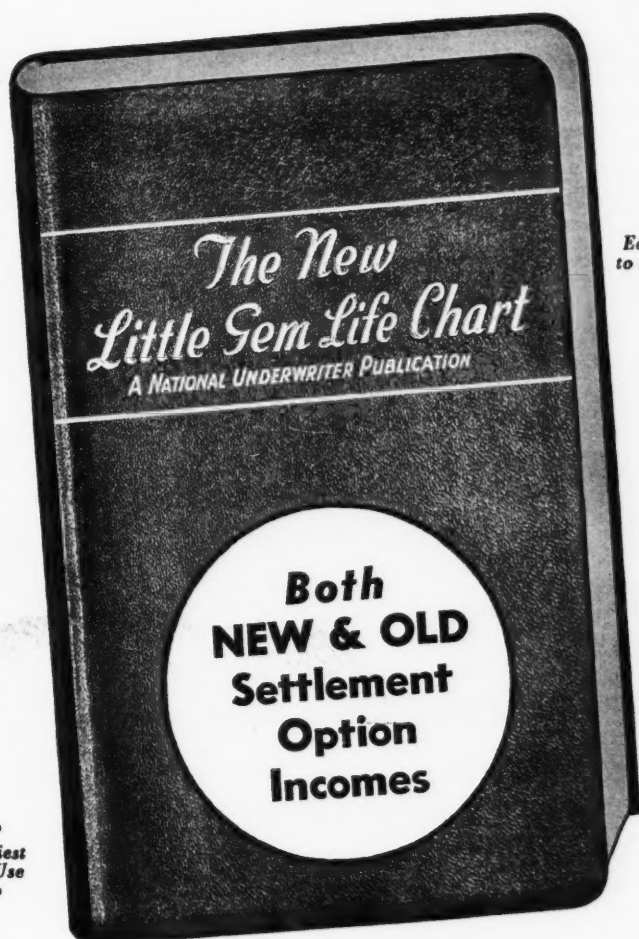
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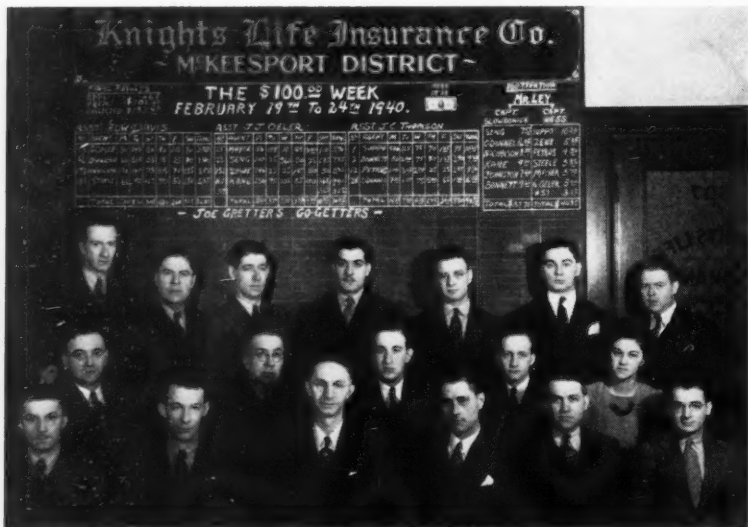
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President Crawford H. Ellis (left) accepts from Miss B. B. Macfarlane, agency supervisor for Louisiana-Mississippi territory, sheaf of applications written by members of her agencies in honor of President Ellis and the Pan-American Life's 28th birthday, while Executive Vice-president Edward G. Simmons (right) looks on. Miss Macfarlane's agency also presented Mr. President Ellis and other officers with 28 American Beauty roses (right) with appropriate messages commenting on each year of the company's growth.



An open discussion at the Travelers' managers meeting in Hartford (left to right): Harry B. Gengnagel, Dallas manager; D. J. Bloxham, agency field service; George N. Field, Oklahoma manager; J. O. Hoover, superintendent of agencies; J. I. Thomson, Peoria manager; Edward E. Noyes, Sacramento assistant manager; and George Stout, Newark manager.



The McKeesport district office of the Knights Life celebrated a \$100 week by writing 469 applications for \$102.60 premiums and collections of \$153.40. This was the result of the united effort of 12 agents, three assistant superintendents and Superintendent Gretter. In the top row are Agents Kane, Nicholson, Steele, Suppo, Petrus, O'Donnell, Johnston; middle row, Specializer Hess, Agents Mayer, George Oeler, Seng, Lillian Gretter; third row, Agents Zewe, assistant Superintendent Davis, Superintendent Gretter, Assistant Superintendents John Oeler and Thomson and Agent Bonnett.



Seventeen men from nine states are participating in an intensive three weeks' training course being conducted at the Connecticut Mutual Life's home office. Vincent B. Coffin, second vice-president and superintendent of agencies, is in charge, actively assisted by G. F. B. Smith, assistant superintendent of agencies, and G. C. Coulson and R. E. Pille, agency assistants. Home office officials will discuss advertising, medical underwriting, company investments, etc.



Before the public meeting in Peoria addressed by Senator M. E. Tydings of Maryland, officers of the Life Underwriters Association of Peoria and the General Agents & Managers Association held a dinner for the special guests: Left to right, Austin T. Schussler, Great Lakes territory superintendent of agencies Metropolitan Life; Senator Tydings; Congressmen E. M. Dirksen and Charles J. Zimmerman, president National Association of Life Underwriters.